

# CSR REPORT 2011

Sumitomo Mitsui Financial Group CSR Report  
Digest version



# Today, Tomorrow and Beyond



President  
Sumitomo Mitsui Financial Group, Inc.

**Koichi Miyata**

First, I would like to extend our deepest sympathies and heartfelt condolences to all those who have suffered and to the families and friends of those who tragically lost their lives in the devastating earthquake and tsunami that struck northeastern Japan on March 11, 2011. We pray for the early recovery of the affected people and areas. SMFG is dedicated to seamlessly responding to clients' needs by leveraging our group-wide capabilities, offering optimal products and services, and ensuring that every employee and the overall group are capable of responding to the challenges of globalization. I believe that through these measures, we will contribute to the growth and development of our clients and society, and ourselves grow in partnership with them. Through our basic policy of becoming "a globally competitive financial services group with the highest trust of our clients, society and other stakeholders" by maximizing our core strengths of "Spirit of Innovation," "Speed" and "Solution & Execution," we will continue to stay ahead of the times, no matter how challenging, and actively adapt to changes in our business environment.

## INDEX

Foreword ————— 1

Commitment from the Top ————— 3

A Conversation with Tadao Ando,  
Takeshi Kunibe and Koichi Miyata

What can we do now to spur the  
reconstruction and revitalization of Japan,  
and help resolve global issues?

Measures to Support Reconstruction  
after the March 11  
Earthquake and Tsunami ————— 8

Priority Issues for Us ————— 9

Our Mission and CSR at SMFG ——— 11

〈Specific Examples of CSR Activities〉

Together with Our Customers ——— 13

Together with Our Shareholders  
and Markets ————— 17

Together with Our Employees ——— 19

Environmental Activities ————— 21

Social Contribution Activities ——— 25

Corporate Outline/Editorial Policy — 29



# Commitment from the Top

A Conversation with Tadao Ando, Takeshi Kunibe and Koichi Miyata

## What can we do now to spur the reconstruction and revitalization of Japan, and help resolve global issues?

### *Uplifting the nation's spirits*

Japan is now facing a wide variety of problems, ranging from the reconstruction of the Tohoku region (the northeastern region of Japan) after the March 11 earthquake and tsunami ("the Great East Japan Earthquake") to a shrinking and aging population, with falling birth rates and increasing numbers of the aged.

We must now find ways for people to coexist in harmony with nature, based on a global perspective.

Sumitomo Mitsui Financial Group (SMFG) invited the world-famous architect Tadao Ando to join in a conversation on the issues facing society and the ways in which SMFG and its Group companies can bring their expertise to bear as a financial services group.



### TADAO ANDO

Architect. Professor Emeritus at the University of Tokyo, Representative and Vice-chairman of the Great East Japan Earthquake Reconstruction Design Council. Awarded the Order of Cultural Merit in 2010.

### Our measures to support reconstruction after the disastrous earthquake and tsunami Uplifting the nation's spirits

— SMFG has the following priorities in its corporate social responsibility program: Reconstruction after the earthquake and tsunami, environmental measures, addressing the shrinking and aging population, and global challenges. —

**Kunibe:** Japan is facing a difficult period with limited prospects for economic growth due to a shrinking, aging population and a mature economy. Against this backdrop, the country was hit by the unprecedented catastrophe of the Great East Japan Earthquake. We must face up to the new challenges arising from this disaster.

I believe the time has come for us to reconsider what we can do in our capacity as a financial institution to address a variety of issues, including the four priorities. Today I hope we can discuss not only the road to reconstruction after the disaster, but also ways to uplift the nation's spirits.

**Ando:** Japan has achieved two miracles - the Meiji Restoration of 1868, and the economic recovery following the end of World War II in 1945. Both events are also regarded globally as being miraculous.

In 1945, foreign diplomats and businessmen visiting Japan were fully confident that the country would recover as they surveyed the ruins and the scorched earth around them, because, in the words of one of them, "People really work hard and help each other, and children take heed of what their parents say and study hard. And because there is a sparkle in their eyes."

Thereafter, the Japanese worked furiously



### TAKESHI KUNIBE

President and CEO  
Sumitomo Mitsui Banking Corporation

companies would do better and the whole country would benefit. Returning to Mr. Ando's words, and his comments about clinging to the status quo, more people now think, "Oh, well, my life is fairly comfortable and that's enough for me." This sense of stagnation, or resignation,

that people feel in their lives has spread throughout Japan. But when the disaster struck, people again came together and worked together in the recovery effort. I thought, "Not everything that happened has been bad." But I fear the consequences if we don't galvanize, coordinate and maximize efforts more effectively.

**Kunibe:** As for SMBC, I wondered if employees at all the branches and other offices in the affected areas would be able to get to work and carry out their duties at such a difficult time for their own families; or if they would be able to open their offices for business on weekends and other holidays. Despite the lack of water and gas, they really gave their all to provide banking services. It was really uplifting to see such dedication and sense of responsibility as an employee of a financial institution entrusted with essential social infrastructure. I talk about "the strength of our front-line staff," but I was able to fully appreciate just how extraordinarily strong SMFG and SMBC are thanks to this display of front-line commitment.

Moving forward on the reconstruction of the Tohoku region, I believe we can also contribute to the rebuilding of infrastructure through project finance and other fundamental businesses of financial institutions in which we excel.

We are now actively engaged in promoting

business in the Tohoku region, including business matching with parties outside the region. In addition, we have a range of support activities in partnership with the Miyagi prefectural government and The 77 Bank, Ltd., which is based in Miyagi.

**Miyata:** In the same way, other SMFG Group companies have been sending out volunteers, and providing donations not only as a company, but also through individual employees. SMBC was at the heart of all these activities, and this was a good opportunity for us to appreciate anew how our business contributes to the public good.



### KOICHI MIYATA

President  
Sumitomo Mitsui Financial Group, Inc.

The SMFG Group has 62,000 employees, "stepping up to the plate and working hard to give something back to society." I think it is important to develop ways of making this a shared aspiration of all the employees of the Group.



# Commitment from the Top

A Conversation with Tadao Ando, Takeshi Kunibe and Koichi Miyata

## Initiatives as a global player and part of the Asian family of nations

— For the nation to recover its spirits it must think and act in terms of global relationships, and those with Asia in particular. —

**Ando:** In the 1950s and 1960s, Japanese society allowed a degree of leeway to those who wanted to realize their potential [without good academic qualifications]. I did not go to university, nor receive any professional training. Nonetheless, I wanted to become an architect and set up shop in Osaka. I found an entrepreneur willing to take a chance on someone like me, and here I am today. But this leeway has now grown much narrower. I think we must review where we stand now. I think we must view Japan and Asia as forming a single economic bloc in the world.

**Kunibe:** For SMBC to continue growing in the longer term, I think we do indeed have to focus on the global market, in particular the Asian market. Geographically and culturally, Asia is close. Our expansion of commercial banking operations to date is part of



a growth strategy that also covers Asia. We think of Japan and Asia as being one strategic region.

SMBC intends to actively broaden its scope of operations in Asia, Europe and the Americas. In that regard, we need to consider our global communication capabilities. That is to say, mastering languages such as English and Chinese, and acquiring an international perspective, so we can express and advocate our opinions more clearly. I think these things will be important. I do not think we will be able to achieve our vision of becoming a global corporation unless we can work effectively in foreign languages as we expand operations. For this reason, we are strengthening our foreign language programs and increasing the number of employees capable of working around the world, as a matter of urgency.

**Miyata:** In Asia today, there are a variety of infrastructure projects. Of course, supporting such projects is SMFG's fundamental business, but we also hope to contribute to the sustainable development of society and the world including Asia. I think we will be discussing this later, but we are committed to addressing issues such as environmental protection and infrastructure-building by bringing together the combined strength of the whole group including SMBC and the

Japan Research Institute.

**Ando:** Our world changed overnight following the earthquake and tsunami. Take the matters of food, energy and resources. In energy-saving, I think Japan is now the world leader. Although Japan has technologies that can contribute to global affluence, I think it has not been able to fully communicate their benefits to the world.



so the other side doesn't understand. We must listen carefully to each other and express ourselves clearly. This is true for both individuals and companies.

Japan enjoys a high degree of trust, not only in Asia but also in the world. It has an image of safety and stability. There is trust between people and between enterprises. We must revitalize the country while this trust remains intact. People from various

A problem not only for Japan but the whole world —

**Miyata:** As I said, before the earthquake and tsunami, a sense of stagnation was spreading throughout Japanese society. Young people were wedded to the status quo, and I thought we were struggling with weighty and intractable issues. But now more people think, "Let's pull together." I think the



I have set up The Momo-Kaki Orphans Fund, which helps orphans by supporting their schooling for a period of 10 years. I was hoping to persuade 10,000 people to pay ¥10,000 each year for 10 years, and about 150 people have been signing up every day. However, most of them are people over 60. People of that generation still think first of family and country, and then about themselves. That's what people used to be like. We have to consider how we can induce people in their thirties today to have this kind of mentality.

**Kunibe:** I believe "human ties" are important not only in the reconstruction of the areas affected by the disaster, but also in the issue of our shrinking, aging population.

**Ando:** The thing that Japan today is most acclaimed for is longevity. The average lifespan here is 83 years. Women live to 86. Whenever I go abroad I get asked how Japanese women stay so young and lovely, and full of vitality, and why Japanese men somehow have lost their vigor. What people around the world long for is indeed to live as long and look as fine as Japanese women. Therefore, we need to encourage the participation of more women in society; we need to get more women into the workplace.

walks of life — industry, business — must come together. While helping each other, they must work for the national interest.

Foster the next generation and deal with a shrinking, aging population. The bonds between people and their families are crucial

— A shrinking, aging population:

Japanese people always come together in times of crisis.

**Ando:** In Tohoku, the sense of family that the rest of Japan has lost still exists. I mean in the fishery industry and in agriculture, which are supported by family bonds. We must plan for the next generation while the bonds between family members, from children to elders, remain in place. The children who will be the next generation must be raised to have hope in their hearts.



Japanese companies tend to be quite reserved and unobtrusive. I believe they must become more willing to blow their own trumpets. For example, our students and salary men cannot freely express themselves. A place where anybody can speak their mind freely and clearly — that is the kind of country we must become. The reason why Japan is so very poor at dealing with foreign countries is that the Japanese people do not express their own opinions clearly in words, and



# Commitment from the Top

A Conversation with Tadao Ando, Takeshi Kunibe and Koichi Miyata

**Miyata:** When I think about what the SMFG Group can do, through its core financial operations, to help a society that is living longer with a falling birthrate, I think we can help people plan for the future, help them put a certain amount aside for later. If this kind of service works well in Japan, I think we might be able to help China and Thailand too, where the same problem — a shrinking, aging population — is brewing.

**Financial services:  
A strong helping hand for  
environmental businesses  
leads to sustainable  
development based  
on Japanese technologies**

— What are the key issues with regard to environment protection, and living in harmony with nature? —

**Ando:** Environmental issues are also important. This is a global issue. People living around the world should link hands and find new ways of safeguarding the environment. We need to secure stable supplies of energy while protecting the environment. With resources, energy and food supplies dwindling around the world, Japan could fill quite a lot of the gaps through its world-class energy-saving technologies, from air-conditioning to refrigeration. I think people are going to be looking to Japan for such technologies.

**Kunibe:** I believe that energy is the most important thing governing a country's competitiveness and industrial strength. Certainly, the timeframe is an issue. We must not engage in short-termism, nor be self-serving, but should devise energy strategies for the future needs of society

as a whole.

**Ando:** I agree. We need industry, government and academia to really talk to each other and take this seriously. If they just butt heads, that won't get us anywhere.

**Kunibe:** I see the environmental business as a linchpin of our CSR program, which we can promote through our core businesses. For example, SMBC has created a "Growing Industrial Cluster Project Team" to organize projects in the fields of water, resources, the environment and new energy sources, involving entities from different fields, not just working within one particular sector. We regard this process of engagement as forming a single undertaking and act accordingly. We believe this initiative can contribute to the sustainable development of Asia and the rest of the world.

**Miyata:** SMFG unit Japan Research Institute serves as an adviser to the Tianjin Eco-City project in China, and SMBC and our securities units can provide funding when needed. Through such organic assistance, we provide support through our core operations as a comprehensive financial services group.

**Kunibe:** Mr. Ando pointed out that Japanese companies hold a lot of good technology. I think that's true. With the above-mentioned "Growing Industrial Cluster Project Team," for example, if technologies are being exported to Asia for an infrastructure project, bank employees will be involved from the project planning stage. I think this is one of the roles of a financial institution.

**Ando:** I think that the role of financial institutions is significant. They do indeed have the power to get things moving, and it is a very great power.

We need somebody to instill in the people the idea that as long as they have hope, they can go forward; and to lead them.

I believe individuals must realize that if they have hope in their hearts, they will see that progress is possible. We must ensure that students are educated with a global perspective and a sense of hope as well.

There is trust in the strength of Japanese technology and the humanity of the Japanese people. The question is who will take the leading role in harnessing these assets, in all their aspects?

**Miyata:** The group has been implementing systems such as allowing employees to take time off for volunteer activities, or take care of a family member while working.

One more thing, how can you contribute by bringing together the power of a comprehensive financial services group and making it work on behalf of the community? How do you harness that power? In that regard, I would like our group to be one in which employees believe that they have their own distinct role in such endeavors and through that find their work rewarding.

**Kunibe:** I wish the same for SMBC. I want our bank to be a vibrant place where employees work with a light in their eyes. I would be grateful for any guidance in this respect from Mr. Ando and experts from other fields.

Presiding over the discussion was Mr. Eiichiro Adachi, Research Chief, The Japan Research Institute, Limited

## Measures to Support Reconstruction after the March 11 Earthquake and Tsunami

Employee proposal: "Save Power & the Nation"



submitted by employees from a wide range of departments and job grades. Steps were taken to put into practice energy-saving measures that were judged to be potentially effective.

activities in the disaster zone.

Many respondents in the "SPN" campaign suggested that there should be more opportunities to make donations directly and continuously to the affected areas. Just after the earthquake, many employees at all grades made donations. To support longer-term initiatives by local government and support activity groups in the disaster-hit areas, SMBC established the "Great East Japan Earthquake support fund" for all employees. In October 2011, the bank made donations through the support fund to help the four worst-affected prefectures (Iwate, Miyagi, Fukushima and Ibaraki). These supplemented donations made by SMBC and SMBC Nikko Securities from fees on investment trust business.

To promote reconstruction following the disaster, the SMFG Group has ongoing support programs run through both its core operations and its community contribution program. Measures are designed to reflect changing needs in the affected areas.

### Combining the proposals of every employee

The Great East Japan Earthquake of March 2011 not only devastated the directly hit areas of northeastern Japan at the epicenter, but also had severe consequences for the entire Japanese economy, due to loss of power generation capacity, disruption of manufacturing supply chains and damage to agriculture and fisheries. The earthquake and tsunami raised a wide range of issues. Under the Save Power & the Nation ("SPN") banner, all employees and executives of the bank urged each other to rack their brains to come up with ways of saving energy, a pressing issue, and of supporting reconstruction in the disaster-affected areas. Ideas were solicited in the following categories.

#### 【Categories】

- Saving energy in-house and in public spaces
- Offering products and services, and supporting reconstruction in the disaster-hit areas and other contributions to the community.

Three weeks after the start of the campaign, over 3,000 ideas and suggestions had been

### Save Power & the Nation ("SPN"): Practical Measures

In addition to the many ideas sent in under the "SPN" campaign with regard to supporting reconstruction in the disaster-hit areas, some employees said they wanted to go to the Tohoku region to work as volunteers. To support those wishing to do "what can be done now" as a first step, SMBC set up a framework to enable employees to take special leave for volunteer activities in the earthquake and tsunami area. This system became operational in May 2011.

To date, volunteers have been recruited not only from the bank but also from other SMFG Group companies. Based on needs identified by local government and volunteer centers in the areas concerned, SMFG staff have been involved in voluntary activities such as clearing mud from residential areas and concrete water runoff troughs alongside roads, clearing up debris, and cleaning and restoring photographs and other personal items with memorabilia value.

In July 2011, over 400 employees of SMBC Nikko Securities — mainly 350 new hires — were divided into three teams, each of which spent one to three weeks on volunteer

#### Comments by employee volunteers in the disaster-hit areas

- I was not really able to appreciate the situation in the Tohoku region until I actually went there myself. I want to talk about what I experienced there, because public concern about the aftermath of the tsunami is now fading.
- It was really good to hear local people thanking us directly for our participation, I think. Although I had a little muscle pain from what I was doing, I was moved by these expressions of gratitude. I could not do much to help, but I was keenly aware of the importance of everybody contributing a little for the greater good.

For further details, please see our website.





# Priority Issues for Us

As one of Japan's leading financial services groups, the SMFG Group is taking the lead in aggressively addressing the four priority issues we have identified as significantly impacting the nation.

## Measures for Japan's regeneration

### Reconstruction after the earthquake and tsunami

The March 11 earthquake and tsunami (The Great East Japan Earthquake) undermined power generation capacity and severed manufacturing supply chains across the nation. This was in addition to the severe damage sustained by agriculture and fisheries in the Northeast.

The disaster also threw into relief many social issues facing the nation. By leveraging our role as a leading financial services group, we are committing our full range of resources to dealing with the enormous task of regional reconstruction after the earthquake, in partnership with stakeholders including enterprises, local governments and non-profit organizations.

#### Further measures needed

- Wide-ranging financial support for the reconstruction of infrastructure
- Ongoing disaster recovery activities by employee volunteers
- Comprehensive support for industrial recovery in partnership with local governments and financial institutions in the disaster-affected areas



## Creating systems for sustainability

### Environmental measures

The SMFG Group has positioned environmental businesses as an area where it can most effectively leverage its role as a leading financial services group. This is a priority field for the future.

Measures are being stepped up on a range of fronts — not only involving a low-carbon society, but also dealing with issues such as water supply, soil contamination, energy and biodiversity. We aim to contribute to sustainable development by supporting the worldwide adoption of Japan's much-admired technological breakthroughs, with a particular focus on the Asian region.

#### Further measures needed

- Give further support for businesses involved in greenhouse gas reduction, water supply, new energy and resource initiatives
- Do more to safeguard biodiversity, in our capacity as a financial institution
- Share our information assets and know-how globally in the environmental business



In the past, the Sumitomo Group programs to solve the problem of pollution around the Besshi copper mine, while the Mitsui Group set up to give the poorest in society access to corporate social responsibility philosophies of both the Sumitomo and Mitsui groups over the 400 years of their existence, we will continue to play our part in solving problems facing the international service operations.

undertook large-scale afforestation programs to solve the problem of pollution around the Besshi copper mine, while the Mitsui Group set up the Mitsui Memorial Hospital to give the poorest in society access to basic medical care. Based on this DNA embedded in the business and Mitsui groups over the 400 years of their existence, we will continue to play our part in solving problems facing the international community through our financial service operations.

## Ensuring peace of mind for the future

### Shrinking and aging population

Currently, the proportion of people aged 65 or over in Japan has reached 23.4%\*. SMFG will help create frameworks enabling the elderly to enjoy a vibrant lifestyle with peace of mind, through support for life-cycle planning and other measures. The SMFG Group aims to create systems and a corporate culture that foster a sound balance between work and care needs, given that many group employees will later need to nurse ailing relatives.

\*Estimates by the Statistics Bureau, Ministry of Internal Affairs and Communications (October 1, 2011)

#### Further measures needed

- Support businesses involved in health, medical and nursing care
- Expand range of financial products and services for the elderly (planning for asset management for old age)
- Foster a better work-life balance



## Symbiosis and diversity

### Global challenges

In anticipation of further global expansion, the SMFG Group is aggressively internationalizing its operations both in Japan and overseas. Initiatives include aggressive development of advisory services for infrastructure upgrades in emerging economies, a cross-departmental endeavor, as well as contributions to the international community and the environmental business, chiefly through branches and representative offices overseas.

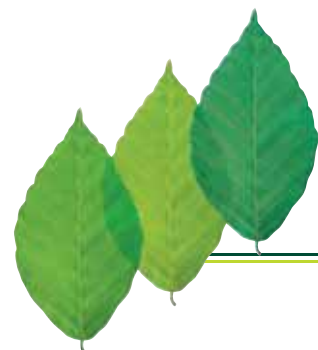
We will continue to discuss and review various approaches to issues facing the international community so as to build up trust internationally as a global player.

#### Further measures needed

- Share expertise in corporate social responsibility with the international community
- Improve financial services in preparation for the globalization of operations in Japan (multilingual support)
- Promote diversity







# Our Mission and CSR at SMFG

## Our Mission

- To provide optimum added value to our customers and together with them achieve growth
- To create sustainable shareholder value through business growth
- To provide a challenging and professionally rewarding work environment for our dedicated employees

## SMFG's Definition of CSR

In the conduct of its business activities, SMFG fulfills its social responsibilities by contributing to the sustainable development of society as a whole through offering higher added value to (i) customers, (ii) shareholders and the market, (iii) the environment and society, and (iv) employees.

## Common SMFG CSR Philosophy: Business Ethics

### 1. Satisfactory Customer Services

We intend to be a financial services group that has the complete trust and support of our customers. For this purpose, we will always provide services that meet the true needs of our customers to assure their satisfaction and earn confidence in the Group.

### 2. Sound Management

We intend to be a financial services group that maintains fair, transparent, and sound management based on the principle of self-responsibility. For this purpose, along with earning the firm confidence of our shareholders, our customers, and the general public, we take a long-term view of our business and operate it efficiently, and actively disclose accurate business information about the Group. Through these activities, we work to maintain continued growth based on a sound financial position.

### 3. Contributing to Social Development

We intend to be a financial services group that contributes to the healthy development of society. For this purpose, we recognize the importance of our mission to serve as a crucial part of the public infrastructure and also our social responsibilities. With such recognition, we undertake business operations that contribute to the steady development of Japan and the rest of the world, and endeavor, as a good corporate citizen, to make a positive contribution to society.

### 4. Free and Active Business Environment

We intend to be a financial services group for which all officers and employees work with pride and commitment. For this purpose, we respect people and develop employees with extensive professional knowledge and capabilities, thereby creating a free and active business environment.

### 5. Compliance

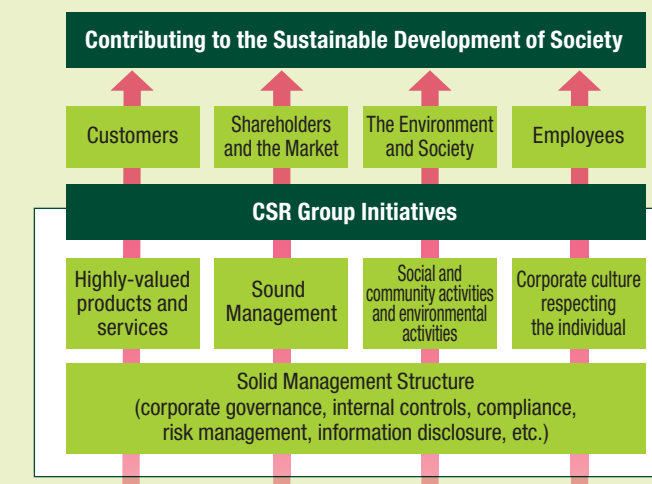
We intend to be a financial services group that always keeps in mind the importance of compliance. For this purpose, we reflect our awareness of Business Ethics in our business activities at all times. In addition, we respond promptly to directives from auditors and inspectors. Through these actions, we observe all laws and regulations, and uphold moral standards in our business practices.

## Key points of CSR activities

The focus of the Group's CSR activities is to offer the most value for our four major stakeholder groups based on sound management, and we shall strive to ultimately contribute to the sustainable development of society as a whole.

- We shall endeavor to develop and prosper with our customers by offering top-quality, highly-valued products and services.
- We shall engage in solid management by disclosing appropriate information and developing our internal control system in an effort to maximize our shareholders' value.
- We shall contribute to society and preserve the natural environment by continuously and proactively implementing initiatives including social and environmental activities.
- We shall foster a free and active business environment which respects individuals and allows each employee to realize his or her full potential.

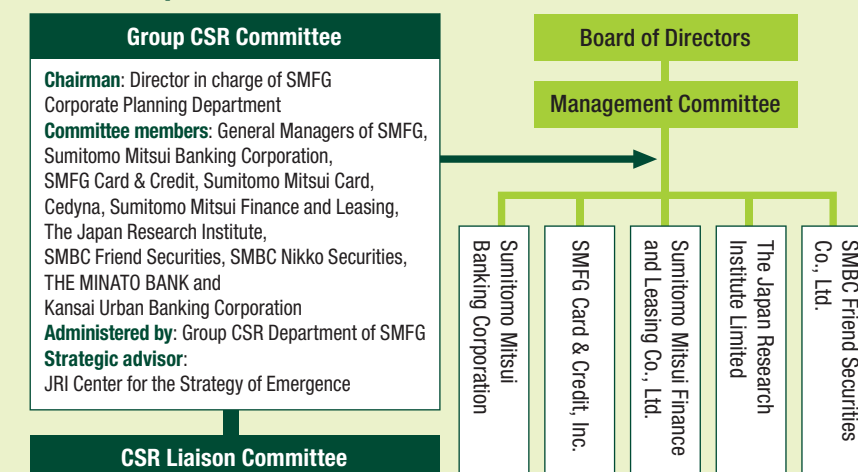
## SMFG CSR Values



## Management approach for target achievement

We have established the Group CSR Committee, administered by the Group CSR Department, to assess the CSR implementation plans of the whole Group, and manage progress. Specifically, departments are assigned responsibility for each target, and the Group CSR Department and assigned departments jointly conduct annual reviews of progress made in these initiatives. The results of these reviews are reported to the Group CSR Committee. The Group CSR Department and assigned departments also conduct a joint examination of plans for the following financial year, the findings of which are subsequently assessed by the Group CSR Committee. In this way, we use the PDCA cycle in our CSR initiatives.

## SMFG CSR promotion structure



## CSR activities and the PDCA cycle



## Participation in global initiatives

Recent years have seen a growing range of international initiatives to deal with threats to the sustainability of the global environment. As a global citizen, the SMFG Group, mindful of its societal influence as a financial institution, follows the guidelines and principles of the following initiatives and organizations:

### United Nations Global Compact

The 10 principles advocated by the United Nations in the areas of human rights, labor standards, the environment, and anti-corruption measures

### The United Nations Environment Programme Finance Initiative (UNEP FI)

The global partnership between the UNEP and financial institutions who are signatories to the UNEP FI Statements seeks to identify, promote, and ensure best environmental and sustainability practice at all operational levels of financial institutions

### Carbon Disclosure Project (CDP)

An initiative to measure, manage and alleviate climate change by encouraging sustained dialog with institutional investors and business leaders on this issue

### Equator Principles

A set of guiding principles for managing social and environmental issues in project finance, based on the guidelines of the International Finance Corporation (IFC)



# Together with Our Customers -1

► We work as a team to improve customer satisfaction and product quality, and, while supporting the customer, contribute to the sustainable development of society as a whole.



## The financial sector's role in improving the nation's diet and in strengthening the agricultural and fisheries sectors

For many years, food supply networks in Japan were premised on mass production and mass consumption, enabling the country to meet soaring food demand at a time of rapid growth in the population and economy.

But in recent years, consumers have come to place more priority on factors other than volume and price, such as food safety and healthiness, and the cultural aspects of diet. As discussion continues on the need for farmers to increase production scale and move into processing and marketing, major changes are underway in the agriculture and fisheries sector in Japan.

Against this backdrop, SMBC has developed a new financial product for this sector.

The SMBC Food and Agricultural Assessment Loan comes with conditions, depending on the results of an evaluation of food-producers' progress in areas such as food safety and environment-friendliness, healthiness and nutritional value, and efficiency of distribution. The Japan Research Institute researches measures in the areas of food and farming being taken by the loan applicant, and drafts a simple "diagnosis" stating whether there is room for future improvement. Ernst & Young ShinNihon LLC provides expert opinions on ongoing improvement of this system.

By backing customer companies' own initiatives in the areas of food and agriculture in this way, SMBC will be supporting measures to improve the diet of the Japanese and strengthen the agriculture and fisheries sector.



## Roundtable session: SMBC Food and Agricultural Assessment Loan

A roundtable session with experts held in August 2011 considered the role of the new SMBC Food and Agricultural Assessment Loan in improving the food supply chain that links food and fishery producers with food processors and consumers. Opinions were also exchanged on what other future role the bank might assume in this regard, given the current situation and issues facing the food industry and agriculture in Japan.



### Key comments of participants

Katsutoshi Konuma, Section Manager, Social & Environmental Management, Asahi Breweries Ltd.  
 "We want to deliver value by creating demand and quality combined with safety, peace of mind and trust."

Yasuhiro Nakashima Associate Professor Graduate School of Agricultural and Life Sciences, The University of Tokyo  
 "Eating should be something that generates emotion. New potential exists in the world of cuisine."

Daisuke Yamamoto, Vice Senior Consultant, Research Department, The Japan Research Institute, Limited  
 "As consumer tastes go through a time of great change, I think it is important to prioritize ingredients and the attitude of customers toward eating."

Yoichiro Fukayama, Planning Dept., Deputy Head (with powers of representation) of the Corporate Banking Unit & Middle Market Banking Unit, SMBC  
 "An important concept is multilateral dialogue as the number of parties involved in food production increases throughout the supply chain."

Moderated by Kenji Sawami, Partner, Ernst & Young ShinNihon LLC

For further details, please see our website.



## New queue-number display system installed at bank counters

Colors and special designs are used to make queue-number displays more visible to all customers (The Minato Bank)

## Making banking a more pleasant experience for all customers

With the old-age dependency ratio soaring, the SMFG Group aims to provide friendly, easy-to-use banking services for all its customers.

Some Group companies are likewise making their facilities barrier-free at bank branches with large numbers of customers, to tailor services to the needs of all customers.

For example at the Minato Bank, we have equipped all ATMs at all our branches and cashpoints with voice-guidance handsets for the visually impaired.

In addition, we have set up priority seating in the lobby of each of our branches for customers who are very old or who have mobility problems. We are also steadily introducing queue-number displays using Color Universal Design (CUD) principles, which are easier to read for customers with eyesight concerns.



Handheld hearing support device (The Minato Bank)

A further measure is installation of handheld hearing support devices at all branches (except housing loan promotion offices), to allay the concerns of hearing-impaired customers who find it difficult to converse and follow spoken instructions. By using the devices as communication tools, bank employees can respect customer privacy and do not have to talk loudly.

Further measures include posting of "green ear" logos at branches to reassure customers that the bank has facilities for conversing in writing. All branches are being equipped with white boards and special message tablets for dialogue with customers who have concerns about their hearing and who dislike written conversations.

## Peace of mind at the bank counter

The Minato Bank has created a position titled "Service Care Manager" at each of its branches, filled by at least one branch managerial staffer, as part of measures to make branch visits more pleasant for customers, following earlier nuts-and-bolts improvements.

Service Care Managers are dedicated to improving support and services for the customer at each branch. Their training includes simulations of the problems faced by persons with disabilities, awareness raising and support methods for the elderly and persons with disabilities.



Telephone handset-type ATM (The Minato Bank)

## Preparing our businesses for a higher old-age dependency ratio

In addition to removing mobility barriers at branches, the bank plans to aggressively support installation of facilities needed to cope with the rapidly rising old-age dependency ratio. As a first step, SMBC has established clear guidelines for supporting the construction of rental housing for the elderly, expected to be a future growth area.

While continuing to tailor business activities to the needs of the community at large and ensuring a friendly banking environment for our customers, the SMFG Group also plans to support the creation of frameworks that enable the elderly to live active lives with peace of mind.





## Specific Examples of CSR Activities

# Together with Our Customers -2

- We believe it is important to contribute to maintenance and protection of the natural environment and the sustainable development of regional society through our core business, hand in hand with the customer.

## Cedyna's social contribution and donation type-card "Chikyuni Yasashii Card"

Fiscal 2011 is the 20th anniversary of the "Chikyuni Yasashii Card," a social contribution and donation-type credit card launched by Cedyna in 1991. Donations made through the card totaled over ¥500 million by 2006, and are expected to surpass ¥600 million in the coming fiscal year—a tribute to the generosity of cardholders.

"Chikyuni Yasashii Cards" fall into 14 categories, based on a global environmental protection theme. These range from major issues affecting the entire planet, such as global warming and ozone layer protection, to specific campaigns for designated environments and ecosystems (turtle and dragonfly sanctuary protection programs). Cardholders choose categories of interest

to them when they subscribe. Merely by using this card for activities like daily shopping and dining out,

cardholders can contribute to a range of environment preservation organizations through The Defense of Green Earth Foundation, in a program under which they donate 0.5% of sums spent using the card.



Choosing causes to support, such as protecting turtles

### Social contribution and donation type-cards Credit cards

The "Chikyuni Yasashii Card"



## Cedyna issues other social contribution and donation-type credit cards

In alliance with Tezuka Productions, we issue the ATOM Card, under programs titled "Realizing children's dreams" and "Seeking ways to build a brighter future for children." Usage terms are similar to those of the ATOM Card. Donations are made to organizations that endorse these causes. Contributions have been made, through the Japan National Council of Protective Care Homes for Children, to children in orphanages in disaster-hit areas (beneficiaries are not only children affected by the Great East Japan Earthquake).

In another aspect of our environmental commitment, we issue the "Cedyna Card



AXU," a new kind of premium credit card that opens the door to a higher-quality, more natural lifestyle. Holders of the "Cedyna Card AXU," the name of sounds like the Japanese for "shake hands," and refers to the links among people, between people and society and between people and our planet Earth, get eco-resort and environmental product updates. They can contribute to environmental protection by donating to environmental protection groups through Cedyna, based on sums spent.

Cedyna is helping build a more humanistic and affluent global society.

## Harnessing the Bank of Japan's "Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth"

Kansai Genki Fund:

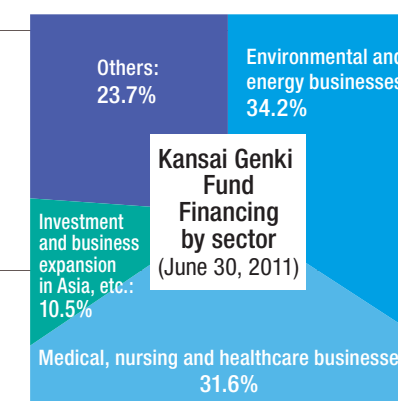
A helping hand for the regional economy

Kansai Urban Banking Corporation has launched a support initiative to boot up next-generation industries. Marketing teams with specialists in fields such as medical and nursing care, and environment and energy businesses have been assigned to the head office.

To strengthen these measures, it set up the Kansai Genki Fund in September 2010, tapping the Bank of Japan's "Fund-supply measure to support strengthening the foundations for economic growth" loan program. The bank responds proactively to funding demand from local companies wishing to expand into areas such as medical and nursing care, environment and energy technologies, and Asia-related businesses, on a priority basis. As of June 30, 2011, loans totaling ¥8.8 billion had been made from the Kansai Genki Fund for 38 projects, of which 76.3% fell into the above three priority categories. The Kansai



We provide financing support to local care businesses



Genki Fund is used to help customers develop a wide range of businesses. The bank will continue to play its role as a regional financial institution dedicated to supporting customers that show originality and energy in helping develop the Kansai economy.

Name	Kansai Genki Fund
Size of fund	¥50 billion
Outline	Support for companies creating growth platforms in fields such as medical and nursing care, environmental and energy technologies, and businesses in Asia

### Promoting environmentally-aware management and supporting business ventures in China through the fund

In the past, SMBC also worked to provide funding to the support creation of platforms for growth in Japan. Now, working through the Bank of Japan's "Fund-supply measure to support strengthening the foundations for economic growth" loan program, it has established the Environmentally Responsible Company Support Fund and the Environmental Facilities Support Fund, in support of companies with environmentally-conscious managements, and which invest in environmental facilities. Given the wave of Japanese companies setting up operations in China's fast-growing market, the bank has also established a China Business Support Fund to meet the funding needs of companies that plan to make new investments in subsidiaries in China.

Name	Environmentally Responsible Company Support Fund Environmental Facilities Support Fund
Size of fund	¥50 billion
Outline	The fund supports companies with environmentally-aware managements or involvement in environmental businesses

Name	China Business Support Fund
Size of fund	¥50 billion
Outline	The fund supports for companies considering moving into China, or expanding their business there

## Financial education through teaching of investment skills

SMBC Friend Securities runs an online education program, "You・You Toshi" (Self-composed Investment), for inexperienced investors.

The service is free and includes a training program that can be used as a tool for lifelong study of investment skills.



"You・You Toshi" website (SMBC Friend Securities)



# Together with Our Shareholders and Markets

## ► Contributing to the development of sounder financial markets

### We aim to further strengthen communication with our shareholders and investors

SMFG is committed to ensuring financial soundness through appropriate policy-making and business operations. At the same time, we disclose corporate information in a timely and precise way to shareholders and markets. We believe full disclosure not only helps foster a more correct understanding and evaluation of the Group, but also contributes to the development of sounder financial markets.

Based on this approach, SMFG goes beyond legal requirements in enriching its disclosure of information on management policy and operational strategy. These initiatives have won the support of many market participants. We were selected as a winner of the Awards for Excellence in Corporate Disclosure for fiscal 2011 by The Securities Analysts Association of Japan.



Shareholders' meeting materials



Investor briefing materials

### Examples of Group disclosure activities

Quarterly and interim financial reports, results announcements, securities reports, legal disclosure statements, regular publications, etc.

Annual and interim reports (in Japanese and English)

Investor briefings twice a year

Conferences sponsored by securities companies, etc., as needed

Online conferences held as needed

### Listing on the New York Stock Exchange

In November 2010, the Sumitomo Mitsui Financial Group listed on the New York Stock Exchange. This move, we believe, not only significantly increases convenience for our overseas shareholders and investors, but also broadens our customer base as it further increases the transparency of our financial position. Listing on the New York Stock Exchange as a socially responsible corporation accelerates our evolution into a global player.

Keeping our shareholders informed



Annual report



Website

For further details, please see our website.



### Together with our investors: Creating a platform for social contribution through the financial markets

We believe that the SMFG Group can contribute further to the creation of a sustainable society through its activities in financial markets.

For example, SMBC Friend Securities markets “Environmental Sustainability Bond”<sup>\*1</sup> while SMBC Nikko Securities markets “WB Green Bonds (Green Bonds)”<sup>\*2</sup>. These are bonds for fund procurement that are also intended as tools for contributing to protecting and conserving the global environment. For customers who wish to invest in companies that contribute to a sustainable society, we offer a wide range of socially responsible investment vehicles.

The Japan Research Institute analyzes applicant

companies' corporate social responsibility activities, and uses the information it gathers to create a basic file on companies managing socially responsible investment funds<sup>\*3</sup>.

### SMFG has listed its shares on SRI indexes

SRI indexes are for socially responsible investments in which major investment decisions are based on environmental and social factors as well as the target company's financial standing. SMFG's proactive corporate social responsibility activities have won plaudits from the markets. As the right-hand graphic shows, SMFG is listed on globally leading SRI indexes. We believe that this is an endorsement by the market of the Group's future corporate social responsibility activities.

### SRI Indexes on which SMFG is listed



- Dow Jones Sustainability Asia/Pacific Index (DJSI Asia Pacific)
- Dow Jones Sustainability Asia/Pacific 40 Index (DJSI Asia Pacific 40)
- FTSE4Good Global Index
- FTSE4Good Global 100 Index
- ESI (Ethibel Sustainability Index) Excellence Global

#### ■ Dow Jones Sustainability Index

This index was jointly developed by Dow Jones of the United States, and the Swiss SRI research company SAM Group. It was the first SRI index in the world.

#### ■ FTSE 4 Good Global Index Series

The FTSE 4 Good Global Index Series was created by FTSE International Limited, a joint venture set up by the Financial Times newspaper of the United Kingdom and the London Stock Exchange.

#### ■ Ethibel Sustainability Index

An index compiled by the Belgian SRI company Ethibel

<sup>\*1</sup> In December 2010, SMBC Friend Securities sold a total of AUD25 million in “Environmental Sustainability Bond.”

<sup>\*2</sup> This fund is provided by SMBC Nikko Securities under the full name Bond for Contributing to Environmental Protection.

<sup>\*3</sup> As of the end of June 2011, approximately ¥63.5 billion in total had been invested in nine publicly offered socially responsible investment (SRI) trust funds.

### The Group's Principal SRI Funds

Date of opening	Official name of fund	Nickname	Sold by	Balance at March 31, 2011 (¥ million)
Aug. 20, 1999	Nikko Eco Fund	—	SMBC Nikko Securities	8,888
Mar. 14, 2006	Six-Asset Balanced Fund (distribution type, growth type)	Double Wing	Sumitomo Mitsui Banking Corporation	1,494
Dec. 20, 2006	Nikko DWS New Resource Fund	Rising Tomorrow	SMBC Nikko Securities	31,810
Aug. 31, 2007	UBS (JP) Climate Change Fund	Cool Earth	SMBC Nikko Securities	12,810
Aug. 31, 2007	DWS New Resources Technology Fund	Global Shift	Sumitomo Mitsui Banking Corporation	20,888
Apr. 28, 2009	Nikko World Trust – Nikko Green New Deal Fund (JPY Non-hedged Class)/(JPY Hedged Class)	—	SMBC Nikko Securities	14,935
Feb. 19, 2010	SMBC Nikko World Bank Bond Fund	The World Bank Green Fund	SMBC Nikko Securities / Sumitomo Mitsui Banking Corporation	13,870
Jun. 30, 2010	UBS (JP) Global Smart Grid Fund	—	SMBC Nikko Securities	1,230



## Specific Examples of CSR Activities

# Together with Our Employees

► We are developing human resources that can take on global roles, and we are creating globalized working environments

## Preparing human resources to take on global roles

Faced with changing markets and rising costs, many Japanese companies are moving their operations overseas. Many large companies already have gone global in terms of production and marketing bases, and now mid-sized and smaller companies are moving into overseas markets too, especially in Asia.

We believe this trend will pick up speed up in the future. And so, to service these companies, SMFG also needs to take measures, as a matter of urgency, to internationalize its operations.

Focusing on practical language skills and international awareness, SMBC is putting in place frameworks to give impetus to the

process of “in-house internationalization.”

Under our “global course” program, newly hired *sogoshoku* (management-track) staff are sent overseas after basic training. We have also expanded human resource training programs in English and Chinese and at overseas units.

Improvement of language skills in particular is something that requires ongoing commitment. For this reason, we have set a TOEIC target of 800 points and are sending 1,000 employees per year to English conversation classes given at specially installed teaching booths at SMBC’s Head Office and elsewhere.

We are also committed to stepping up personnel exchanges within Japan and with overseas countries. For example, we organize “Global Corporate Banker Training” classes in Tokyo for foreign staff working

at overseas units and for regular employees in Japan. All of these courses are in English and feature discussions and presentations on resolution of issues faced by global companies. Through such lively exchanges, the aim is to develop the ability to deepen cross-cultural communication and cultivate a global outlook and mentality.

At the bank, we will continue measures to promote globalization going forward, and create systems that can provide higher quality support to our customers.



“Global Corporate Banker Training” program



Native speaker teachers



Language booths at the Head Office



## Better support for carers: Workplace measures to deal with the rising old-age dependency ratio

In November 2010, the bank expanded its employee carer support program.

Even now, much remains to be done to develop public support mechanisms, subsidies and other infrastructure needed to provide and enable old-age care services. If the old-age dependency ratio continues to climb, we expect the number of employees with care responsibilities to increase. In light of this, we have broadened the scope of our support program to achieve a sounder

balance between work and care needs.

The improvements have three aspects: (1) Care-leave time has been extended to one year; (2) the time frame during which staggered and shortened working hours for care-giving are allowed has been extended to three years; and (3) greater flexibility has been introduced in reduction of working hours for care purposes.

We have also established the SMBC Care Consultation Desk as a convenient general service for employees and their family members concerned about care issues.

In this way, SMBC is creating better working environments, based on an understanding of diversifying employee needs.

## Improvements to care support system

	Before	After
Total care leave	93 days (Including staggered and reduced working hours)	1 year (Excluding staggered and reduced working hours)
Staggered and shorter working hours to care for sick family members	93 days (Including care leave)	3 years in each case (Excluding care leave)
More flexible approach to daily scheduling of care leave	Delay start of working day by one hour or End working day one hour earlier	Offer menu of work-scheduling options (Work six or seven hour day), with option of selecting working days

## SMBC Care Consultation Desk

For	Services
SMBC employees and their family members	(1) Consultation with Public Health Nurses and other nurses, geriatric care managers and other experts (2) Information about care facilities (3) Care service agency (4) Other preferential services

## Creating support tools for developing the role of female employees

### “My Story”

SMBC has surveyed approximately 1,000 female employees on their careers and major events in their lives. Role models have been created based on 50 of these individual interviews, and presented in the form of book, which is distributed as a guide to individual women’s career paths and as a management aid for superiors in executive training.

### Career development handbook for young mothers

SMBC has compiled a career development handbook covering maternity leave for all women employees wishing to strike a better balance between work and family life. It provides pathways for mothers pursuing careers, citing answers by women who have been through this experience to questions such as “What do I need to do to return to work?” and “How do I go about arranging nursery school?” It also includes preparatory exercises for expectant mothers and support lectures on child-raising leave after they return to the workplace.







# Environmental Activities -1

► Committed to supporting environmental businesses, a CSR priority, through our core businesses

## A new venue for confabs: SMFG Environmental Business Forum at Eco-Products

The Eco-Products exhibition, held each December, is one of Japan's largest environmental exhibitions. Under it, SMFG held the SMFG Environmental Business Forum, a unique event to which the whole SMFG Group contributed.

The SMFG Environmental Business Forum enables encounters and information exchange in the field of environmental business. SMFG and its Group companies provide various platforms, including business matching events, stands and catalogue exhibitions, and lectures and seminars, with the aim of giving new business opportunities to companies and other organizations that are considering entering the environmental business, expanding their marketing channels within it, or just gathering information.



Environmental business matching

## The eco japan cup: "A Contest for Unearthing and Growing Seeds of New Businesses"

SMBC jointly organizes the "eco japan cup," an environmental business contest, together with the Ministry of the Environment, the Ministry of Internal Affairs and Communications, the Ministry of Land, Infrastructure, Transport and Tourism, Development Bank of Japan Inc. and Environmental Business Women. The competition has four major categories – business, culture, lifestyle, and policy-making.

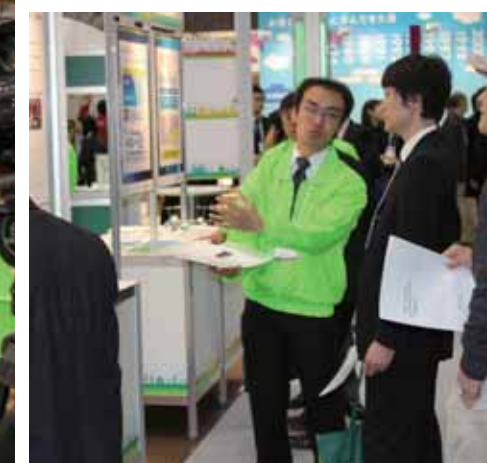
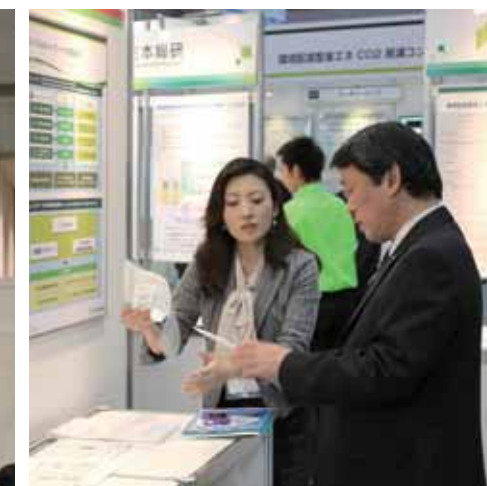
In eco japan cup 2010, the "SMBC Eco-Banking Office Prize" was launched in the cultural division. Entries were solicited on creating eco-friendly bank branches through environment protection measures including advanced energy initiatives and reduction of carbon dioxide. Some of the prize-winning proposals (for example, efficient use of timber from forest thinning) have been adopted at environment-friendly model branches that the bank is developing.



Environment-friendly model branches

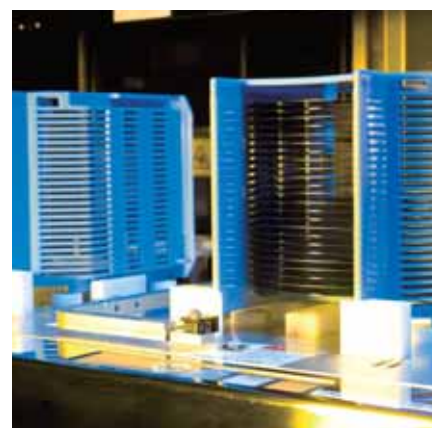


Eco-Products is one of Japan's largest comprehensive environmental exhibitions



## Sumitomo Mitsui Finance & Leasing: Promoting recycling and reuse

As part of its core leasing operations, Sumitomo Mitsui Finance & Leasing is helping reduce customers' environmental



Recycling and reuse of old equipment and machinery

load through measures such as "carbon neutral leases" (with carbon credits allocated in proportion to emission volumes of leased assets) and leasing of environment-friendly and energy-saving equipment.

Likewise, by trading used machinery and semiconductor- manufacturing equipment, Sumitomo Mitsui Finance & Leasing is supporting more efficient capital investment by its customers, while itself evolving into a recycling-oriented, environment-friendly company.

## Recycling of rare earths used in smart cards

At Sumitomo Mitsui Card, rare earths extracted from IC chips from expired credit cards are recycled.

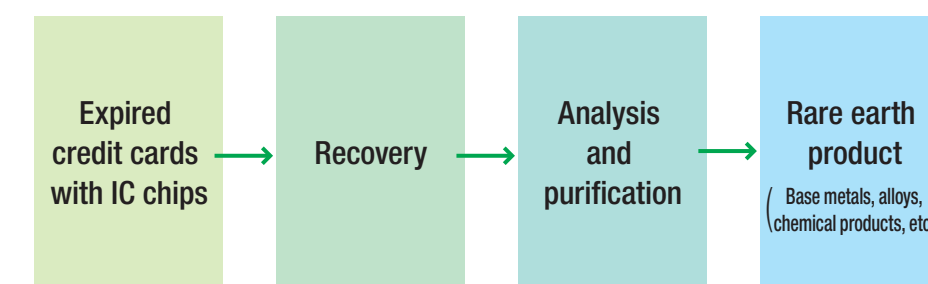
Recycling yields approximately 0.1mg of rare earth product per expired card.

Rare earths are special metals, unobtainable in Japan, which are essential to PCs and cellphones, electric vehicles and solar power generators. Given that Japan is dependent on imports for nearly its entire supply, we believe recycling rare earths is a worthwhile endeavor in terms of national energy policy.

Card microcircuits that have become unusable due to changes in card design are collected from cards with IC chips, which are separated

from cards without IC chips. Both types are pulverized at the company's Shimura Center in Tokyo and sealed separately in recycling bags, under supervision of a company official. The bags are then sent off for processing by an outside company, which analyzes and purifies the contents and then extracts the rare earths.

\* After intermediate processing, waste materials other than the rare earths and the cards with no IC chips are both sent off for final disposal, in conformity with established procedures.







# Environmental Activities -2



## ► International initiatives in Asian countries and others

### Taking a leading role in environmental businesses in Asia

The SMFG Group supports environmental businesses in the rapidly growing markets of Southeast Asia from various perspectives. For example in Malaysia, SMBC signed an operational alliance on environmental businesses with the Federation of Malaysian Manufacturers in April 2010, and in October that year acted as main sponsor for Malaysia's first large-scale international environmental exhibition, International Greentech & Eco products Exhibition & Conference Malaysia

2010 (IGEM). At this event, a keynote speech was given by Chairman Teisuke Kitayama, and SMBC and Sumitomo Mitsui Finance & Leasing opened booths. The exhibition, visited on successive days by Malaysia's King, prime minister, some of the regional Kings of Malaysia, and cabinet ministers, raised awareness of environmental businesses in the nation. At the same time, in April 2011, the bank's Malaysia unit Sumitomo Mitsui Banking Corporation Malaysia Berhad began operations. This unit is broadening support measures to contribute to the development of environmental businesses in Malaysia. Meanwhile, in August 2010, the Japan

Research Institute, SMBC and a number of other companies publicly recruited by Japan's New Energy and Industrial Technology Development Organization (NEDO) were jointly commissioned to carry out basic research into Malaysia's Green Township concept, a national town-planning project backed by NEDO.

Looking ahead, SMBC plans to jointly compile an action plan with the Malaysian government and related enterprises for establishment of "green townships" based on the cities Putrajaya and Cyberjaya Prime Minister Najib Razak is promoting. It also plans to propose specific projects in the concept.



### Promoting energy-saving and low-emission industries in China

In China, which emits more carbon dioxide than any other country, finding ways of promoting new energy-saving measures and restructuring industry have become pressing issues.

The Japan Research Institute has built up a successful track record in the course of its advisory activities in China, in joint research into local-level microgrid construction at the Tianjin Eco-City, and in policy-making relating to renewable energy management

systems and other areas.

In partnership with the Guangdong Provincial Department of Science and Technology, the Japan Research Institute also advises government departments on system establishment for new energy-saving businesses. Guangdong is China's richest province by gross provincial product, and here both needs and potential in the field of energy-saving are very great. The Japan Research Institute also supports industrial restructuring and low-carbon projects in the province through model projects.

### Support for adoption of electric vehicles and car-sharing

In the battle against global warming, both public and private sectors are facing mounting pressure to curb carbon dioxide pollution from transportation, one of the major sources of emissions. Against this backdrop, the Japan Research Institute is supporting environmental businesses that map out pathways and develop projects, tailored to the needs of particular localities, to bring about a low-carbon society. Experimental projects are currently underway in Kanagawa Prefecture, Saitama Prefecture, Kyoto and Sapporo. These initiatives are aimed at hastening the adoption of electric vehicles and car-sharing to cut carbon dioxide emissions. The Institute is working in cooperation with government bodies, car-rental, commercial vehicle-leasing and parking-facility management companies, railways, communications providers and other entities.



Electric vehicles not only emit no carbon dioxide, but offer a comfortable drive as well

IGEM2010 greeted many visitors



# Social Contribution Activities -1



Garbage was analyzed in the Kugenuma Beach cleanup event, in which SMFG and its Group companies participated

## ► SMFG as a corporate citizen: Working to create a prosperous society for all

### SMFG and its Group companies participate in neighborhood cleanup programs

In fiscal 2010, 150 volunteers from the SMFG Group participated in beach cleanup activities in Kanagawa and Hyogo prefectures on “SMFG Clean-up Day.” This initiative is not simply a matter of picking up garbage. It also involves inspections and analysis of garbage to identify pointers for providing solutions for environmental issues in the future.

In addition to beach cleanup activities in Chiba and Hyogo prefectures by SMBC Friend Securities, Group companies of Cedyne, Sumitomo Mitsui Finance & Leasing, the Japan Research Institute and SMBC Nikko Securities carry out ongoing cleanup and other activities in the areas around their offices and branches.

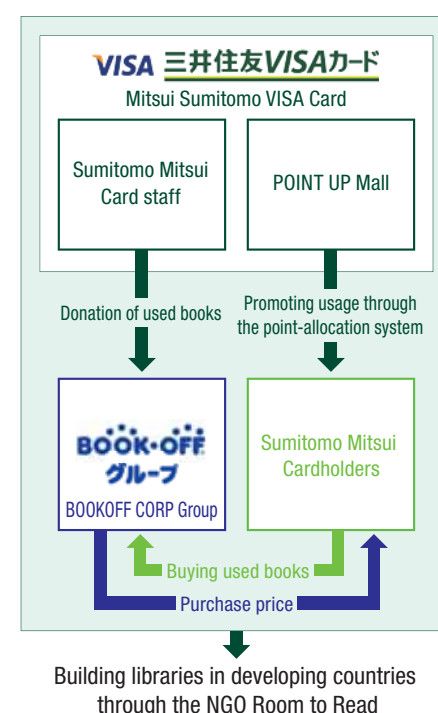
The Minato Bank and Kansai Urban Banking Corporation also engage in cleanup activities around Suma Beach and Lake Biwa, to protect the regional environment.

### Supporting education in developing countries, together with our customers and employees

Cardholders and employees of Sumitomo Mitsui Card joined a literary social contribution initiative by participating in the Books To The People 2010 project operated by BOOKOFF CORP. This project aims to provide environments in which children can read books in purpose-built facilities, through donations to Room to Read, a non-governmental organization that supports education in developing countries. These NGO donations are pegged to total numbers of used books and other items purchased by cardholders. Through the Sumitomo Mitsui Card-operated online shopping mall POINT UP Mall, cardholders are encouraged to buy used books through BOOKOFF, and employees collect and donate used books from their homes and companies.



Collection box for used books and other items installed in an employee canteen



Supporting education in developing countries

### Donations through “The World Bank Green Fund”

SMBC and SMBC Nikko Securities donate a portion of the profits from marketing of the SMBC Nikko World Bank Bond Fund (“The World Bank Green Fund”) to the Japanese Red Cross Society and the Japan Committee for UNICEF.

This investment trust is the world’s first fund developed in cooperation with the World Bank that invests in World Bank green bonds, according to research by Nikko Asset Management Co., Ltd. Funds from the World Bank green bonds support only World Bank-funded projects in developing countries to mitigate global warming.

\*Research by Nikko Asset Management Co., Ltd.



Donating to the Japanese Red Cross



Donating to Japan Committee for UNICEF

### SMBC Nikko Securities’ “Green Week”

In the fall of 2010, SMBC Nikko Securities established its “Green Week” for strengthening environmental protection and social contribution activities, with the aim of promoting communication within regional society and among participating employees and their families, while deepening understanding of environmental protection through participation in social contribution activities. Between November 13 and December 5, 2010, environmental protection programs were rolled out by cross-organizational “Green Committees” in four locations in Japan, with the participation of 280 employees and their families. In addition, regional contribution activities were carried out by



Regional contribution activities at the branch level



Collection of PET bottle caps for international contribution purposes

branches at their own initiative. A wide variety of social contribution activities, such as the collection of used stamps and PET bottle caps, were carried out for global causes. SMBC Nikko Securities will continue activities that contribute to society and prioritize communication between employees.



Employees and their families pitch in to clean up the bed of the Ara River in Tokyo

#### Environmental protection activities

Forestry management volunteering experience in Osaka (Izumi no Mori)
117 participants
Volunteers at the Shonan Erosion Control Forest project
62 participants
Helping clean up Senju Shinbashi bridge that spans Ara River
64 participants
Helping clean up Nishi Araiabashi bridge that spans Ara River
37 participants

#### Social contribution collection activities

Support for overseas causes through used-stamp collection
11.4 kg of stamps were collected
Presentation of stationery to children in developing countries
788 ballpoint pens and pencils
Vaccine donation from the collection of PET bottle caps
168.9 kg (enough to vaccinate 84.45 people against polio)

#### Activities organized by branches

Sendai Branch
Accepting middle school students for workplace experience programs
Matsudo Branch
Accepting middle school students for workplace experience programs
Shizuoka Branch
Abekawa River driftwood-clearing festival



# Social Contribution Activities -2

## Helping build prosperity in Asia and the world

The SMFG Group is engaged in a range of activities that contribute to development at both the regional and international level. In addition to overseas units' independent initiatives, which are geared to host country issues and characteristics, the Group supports projects that have contributed to achievement of the United Nations' global Millennium Development Goals, such as poverty eradication, health improvement and status improvement for education and women in developing countries. Our support takes the form of donations to non-profit and non-governmental organizations, through the employee volunteer fund. (The map shows areas where fund money is used, marked with a ★ symbol). Please see our website for more details.

### International cooperation begins at home

#### Employees put school meals on the table through their purchases in staff canteens

SMBC and Sumitomo Mitsui Finance and Leasing have a program that provides donations to the non-profit organization TABLE FOR TWO International to fund school meals in developing countries, for every low-calorie meal ordered for lunch. SMBC Friend Securities has also installed vending machines selling healthy drinks, donating part of their sales to TABLE FOR TWO International.



#### Donation boxes for foreign currency coins

SMBC places donation boxes for foreign currency coins at the entrances of all manned branches and offices in Japan, and sorts such collected coins by currency for delivery to UNICEF.

#### The SMBC Foundation for International Cooperation

The SMBC Foundation for International Cooperation strives to assist in developing the human resources necessary to achieve sustainable growth in developing economies as well as to promote international exchange activities. The foundation has provided financial support for students from Asian countries each year, enabling them to attend universities in Japan. The foundation also offers subsidies to research institutes and researchers undertaking projects related to developing countries.



Middle East & Asia

### 1 South Korea

#### Support for a South Korean students' Japanese-language theater competition

As a way of increasing understanding of Japanese culture, SMBC's Seoul Branch donates funds to make possible the holding of a competition involving theatrical performances in the Japanese language by South Korean students of Japanese.



Performing a Japanese-language drama

### 2 China

#### Scholarships at major universities

Sumitomo Mitsui Banking Corporation (China) Limited established a scholarship program for students of Zhejiang University, Shanghai International Studies University, Sun Yat-sen University, and other universities.



Scholarship students at Sun Yat-sen University

### 3 Hong Kong

#### Supporting performances by young Asian musicians

SMBC Hong Kong Branch makes donations to the Asian Youth Orchestra (AYO), comprising young Asian musicians selected through auditioning who perform all over Asia.



Photographs supplied by AYO

### 4 Vietnam

#### Providing work experience to students

SMBC's Hanoi Branch provided international school students with vocational experiences.

### 5 Thailand

#### Supporting farming villages in the northeast

SMBC's Bangkok Branch assisted farmers by donating underground water storage tanks and assisting with vegetable planting and harvesting.



Bank employees helped plant vegetables as volunteers

### 6 Malaysia

#### Donating furniture to welfare facilities

SMBC's Labuan Branch in Malaysia, following its relocation, donated desks, chairs and cabinets to occupational training centers for the disabled.



Donated furniture



Europe & Africa

### 7 Europe

#### Donations to charity groups

Employees of Sumitomo Mitsui Banking Corporation Europe (SMBCE) conducted volunteer activities in their time off. SMBCE contributes to charitable organizations through an in-house fund and also uses a matching gifts program under which it donates a certain amount for every donation made by its employees.



Employee volunteers who participated in landscape improvement projects

### 8 Europe

#### Donation for a Japanese-language speech contest

The European office of the Japan Research Institute (JRI) made a donation in support of a Japanese-language speech contest.

### 9 Mozambique

#### UNICEF support initiatives

Through the Climate & Children Supporters project, the bank has supported UNICEF projects in Mozambique benefiting children and improving the water-supply and sanitary environment.



© UNICEF Mozambique/Arild Drivdal

\*Please see this website for further details (in Japanese):  
www.smbc.co.jp/ccs/



North America

### 10 The United States

#### SMBC GLOBAL FOUNDATION

Based in the United States, SMBC Global Foundation has provided scholarships to more than 5,000 university students in Asian countries since its establishment in 1994. In the United States, it supports educational trips to Japan organized by a high school located in Harlem, New York City, and volunteer employees of SMBC and JRI to participate in school beautification programs. The foundation also provides matching gifts for SMBC employees.



High school students from New York who visited Japan on a study trip



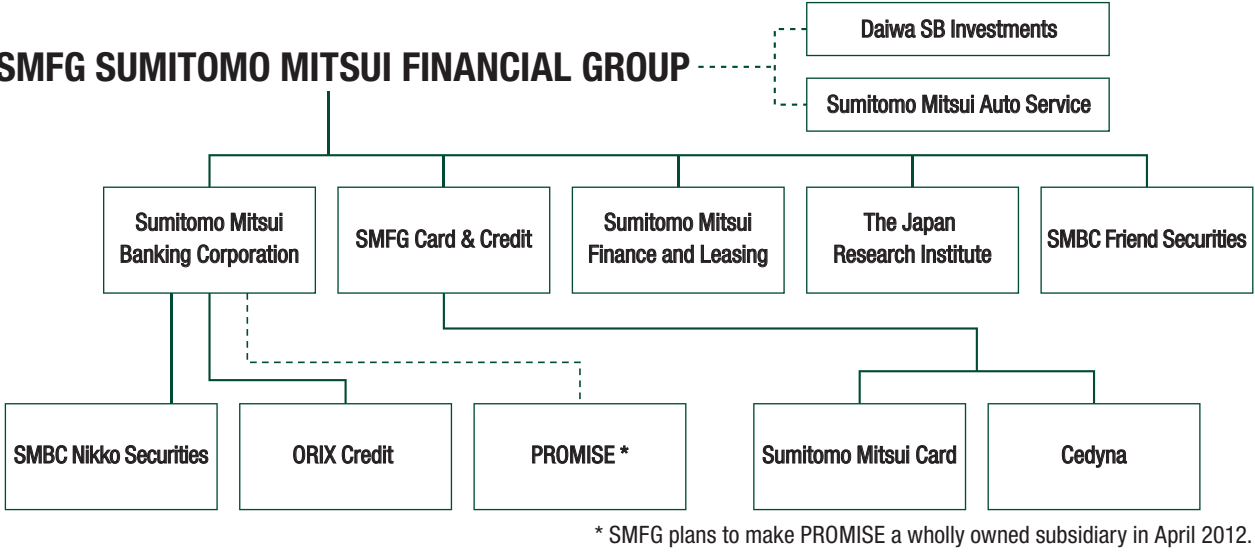
Scholarship award ceremony for university students in Vietnam



■ Corporate Outline (as of September 30, 2011)

Company Name	: Sumitomo Mitsui Financial Group, Inc.
Business Description	: Management of banking subsidiaries (under the stipulations of Japan’s Banking Act) and of non-bank subsidiaries, as well as the performance of ancillary functions
Established	: December 2, 2002
Head Office	: 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Chairman of the Board	: Masayuki Oku
President	: Koichi Miyata (Concurrent Director at Sumitomo Mitsui Banking Corporation)
Capital	: ¥2,337.8 billion
Stock Exchange Listings	: Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section) Nagoya Stock Exchange (First Section)  Note: American Depositary Receipts (ADRs) are listed on the New York Stock Exchange.

■ Structure of Sumitomo Mitsui Financial Group (as of September 30, 2011)



\* SMFG plans to make PROMISE a wholly owned subsidiary in April 2012.

■ Our CSR reporting

At Sumitomo Mitsui Financial Group, three kinds of CSR reports are compiled.

 <b>CSR report 2011 (digest version)</b> Covers CSR baselines and CSR activities at SMFG and its Group companies, centered on specific examples	<b>CSR disclosure through specific examples</b>
 <b>CSR report 2011 (digest version with examples of activities and statistical performance, online PDF file)</b> Covers environment-related statistical data and gives more detailed information on CSR activities	
 <b>CSR report (online version, Japanese only)</b> <a href="http://www.smfg.co.jp/responsibility">www.smfg.co.jp/responsibility</a> This is the official version of our CSR report. Covers the full spectrum of CSR activities at SMFG	<b>Enriched CSR disclosure</b>

■ Editorial Policy

This report has been created in an effort to convey to our stakeholders the variety of our initiatives and the roles the SMFG Group is fulfilling as we work to create a sustainable society.

We have aimed to present the information clearly, so that readers may understand our attitude that the fulfillment of CSR is the essence of business itself, and our initiatives act upon this.

Our CSR Report 2011 (digest version), launched last fiscal year, is intended to present more concise reports of the Group’s CSR activities, with a focus on specific activities of interest. To complement this, we have also posted online our CSR Report 2011 (digest version, with examples of activities and statistical performance), with more detailed information on CSR activities and statistical data omitted in the CSR Report 2011 (digest version).

We disclose the full range of our CSR activities as a Group on our website in the official-use version of our CSR Report (in Japanese only). It is recommended that you read it in combination with the above two digest versions in order to understand our CSR and other activities in greater detail.

From the current fiscal year, we are including third-party opinions in the website version.

■ Scope of this Report

- Sumitomo Mitsui Financial Group, Inc.
- Sumitomo Mitsui Banking Corporation
- SMFG Card & Credit, Inc.
- Sumitomo Mitsui Card Company, Limited
- Cedyne Financial Corporation
- Sumitomo Mitsui Finance and Leasing Co., Ltd.
- The Japan Research Institute, Limited
- SMBC Friend Securities Co., Ltd.
- SMBC Nikko Securities Inc.
- THE MINATO BANK, LTD.
- Kansai Urban Banking Corporation
- Other Group companies

Company name abbreviations and other special terminology

Throughout this report, “**Sumitomo Mitsui Financial Group**” or “**SMFG**” refers to the holding company alone. “**The SMFG Group**” refers to the holding company and its primary domestic and international subsidiaries and affiliates.

■ Reference guidelines

Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2006 (G3)

\* Global Reporting Initiative (GRI): Established as an international standard for sustainability reporting, compilers set up an international organization (GRI) in 1997 to encourage its adoption worldwide.

■ About this Report

Period Covered	: April 1, 2010 to March 31, 2011 ( “Fiscal 2010” ) Note: Certain items in this report refer to activities taking place after April 2011.
Publication Date of Japanese Document	: December 2011
Contact	: Group CSR Department, Sumitomo Mitsui Financial Group, Inc. 1-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005 TEL: +81-3-3282-8111