

# Corporate Profile 2023

We Will Continue to Support the Future of Our Customers and Society



<https://www.smbc-cf.com/english/corporate/index.html>



SMBC Consumer Finance Co.,Ltd.

2-2-31, Toyosu, Koto-ku, Tokyo, 135-0061, Japan  
Corporate Communication & Sustainability Dept  
TEL.03-6887-1274

2023.9



SMBC  
CONSUMER FINANCE

# Consumer Finance We Aim to Create



President and Representative Director,  
Chief Executive Officer

**Ryohei Kaneko**



Since our establishment in March 1962, we have offered consumer financial services that promptly meet the diverse funding needs of our customers by developing safe and convenient personal loan products and building the infrastructure for dealing with customer inquiries and loan applications while keeping pace with changes in people's lives and lifestyles. On April 1, 2012, we became a member of the SMBC Group, and on July 1 of the same year, we changed our company name from Promise Co., Ltd. to SMBC Consumer Finance Co., Ltd. (SMBCCF). With a view to further growth, we have striven to strengthen not only our financing (direct loan) business but also our loan guarantee, overseas, and loan management businesses as the nucleus of the SMBC Group's consumer finance business in cooperation with Sumitomo Mitsui Banking Corporation and other SMBC Group companies. In recent years, the environment surrounding us has been changing rapidly due to many factors, including an accelerating pace of technological innovation and the entry of companies entering the financial sector from other industries. Having recognized this environment, we have formulated a medium-term management plan for the three-year period starting from fiscal 2023, and we have set this policy: "We Will Continue to Support the Future of Our Customers and Society." Moreover, we have added our fourth strategic pillar "pursuing social value" to the following three: "increasing the market share of our core business," "significantly strengthening our management foundation," and "expanding into new

business areas." Though our efforts with these four strategies, we aim for sustainable growth. In September 2023, we defined our core value as "PROMISE as a Lifestyle Support Brand," and we updated our brand logo and slogan. The new brand slogan is "We PROMISE you a thumbs-up." It has a double meaning: we PROMISE you to give you a thumbs-up when you want to use our services, and we also PROMISE that you will give us a thumbs-up when you use our services. These are the promises we have made since Promise and will continue to make to you with the brand name "PROMISE." Our view of consumer finance is to provide stable, continuous services through which customers can borrow money with peace of mind. Working closely with our customers, we will strive to build a sound consumer finance market by providing optimal services and support tailored to customers' specific needs. We will also take action to resolve social issues and achieve sustainability through our business activities. On March 20, 2022, we celebrated the 60th anniversary of our founding. We will remain steadfast in our commitment to be the global consumer finance company that is most trusted by our customers.

# Our 60-year history of changing the consumer finance industry

Established in March 1962 as "Kansai Finance", our company celebrated our 60th anniversary in March 2022. Here we would like to introduce our 60-year long journey along with movements of this consumer finance industry.

## Aiming for further customer satisfaction and sustainable growth

We celebrated our 60th anniversary of our company in March 2022. We have always wished to be a reliable partner by staying close to our customers and sharing their feelings. Each of us will continue to pursue customer satisfaction and achieve sustainable growth by PROMISEing CF (Customer First) for our customers and society.

History of the company →  
Movements of the industry and the world →

### 1962- The origin of our company

Ryoichi Jinnai, the founder of our company established Kansai Finance (company name at the time) in March 1962. Mr. Jinnai worked to develop a new consumer finance system with "easiest to use and repay from consumers' perspective" in mind, despite the absolute advantage of supplier side in the market at that time. Believing the best finance from customer's perspective is one with no interest, no duration, and no collection calls, he set up his own consumer finance business to commercialize this idea.



Ryoichi Jinnai

- 1963
  - Change company name to "Kansai PROMISE"
  - Commencement of consumer finance business using PC (PROMISE Check)



### 1963- Spirit in the company's name

In February of the following year, the company name was changed to "Kansai PROMISE", incorporating the idea that "Lenders and customers are supposed to be equal, and shall engage in translations openly and keep our promises to each other." Even though it is no longer the current company name, "PROMISE" is still a widely recognized brand of our service.



- 2011
  - SMFG conducted a TOB for PROMISE (PROMISE became its consolidated subsidiary)
  - Acquired At-Loan
- 2012
  - Became a wholly owned subsidiary of SMFG
  - Changed company name to SMBC Consumer Finance



- 2010
  - Customer Service Plazas established
  - Acquired Sanyo Shinpan
- 2011
  - Great East Japan Earthquake
- 2010
  - Full enforcement of Money Lending Business Act commenced
- 2008
  - Global financial crisis
- 2013
  - 4 PROMISE subsidiary companies opened for business in mainland China
- 2014
  - Changed Mobit to a wholly-owned subsidiary

### 2007- Merger with Sanyo Shipman

The two companies conducted business merger with the objective to better respond to changing business environment and promote growth strategies.

- 2015
  - Social security and tax number (My Number) system commenced in Japan
- 2018
  - Adopted SMBC Group's unified logo



- 2021
  - Acquired 49% interest in FE Credit in Vietnam

- 1964
  - Tokyo Olympic Games
- 1969
  - Founded Japan Consumer Finance Association (JCFA) jointly by 11 companies
- 1969
  - Expanded business into Tokyo with the establishment of Tokyo PROMISE
- 1974
  - Merger of Kansai PROMISE and Tokyo PROMISE
  - Changed the company name to PROMISE Trust
- 1980
  - Changed the company name to PROMISE
- 1983
  - Money Lending Business Act took effect



### 1983- The industry's first automated credit assessment system commenced operation

In August 1983, the existing credit assessment system, which has been improving since its foundation, was drastically reviewed. The industry's first automated credit assessment system using past customer transaction data has been introduced through state-of-the-art computer systems.

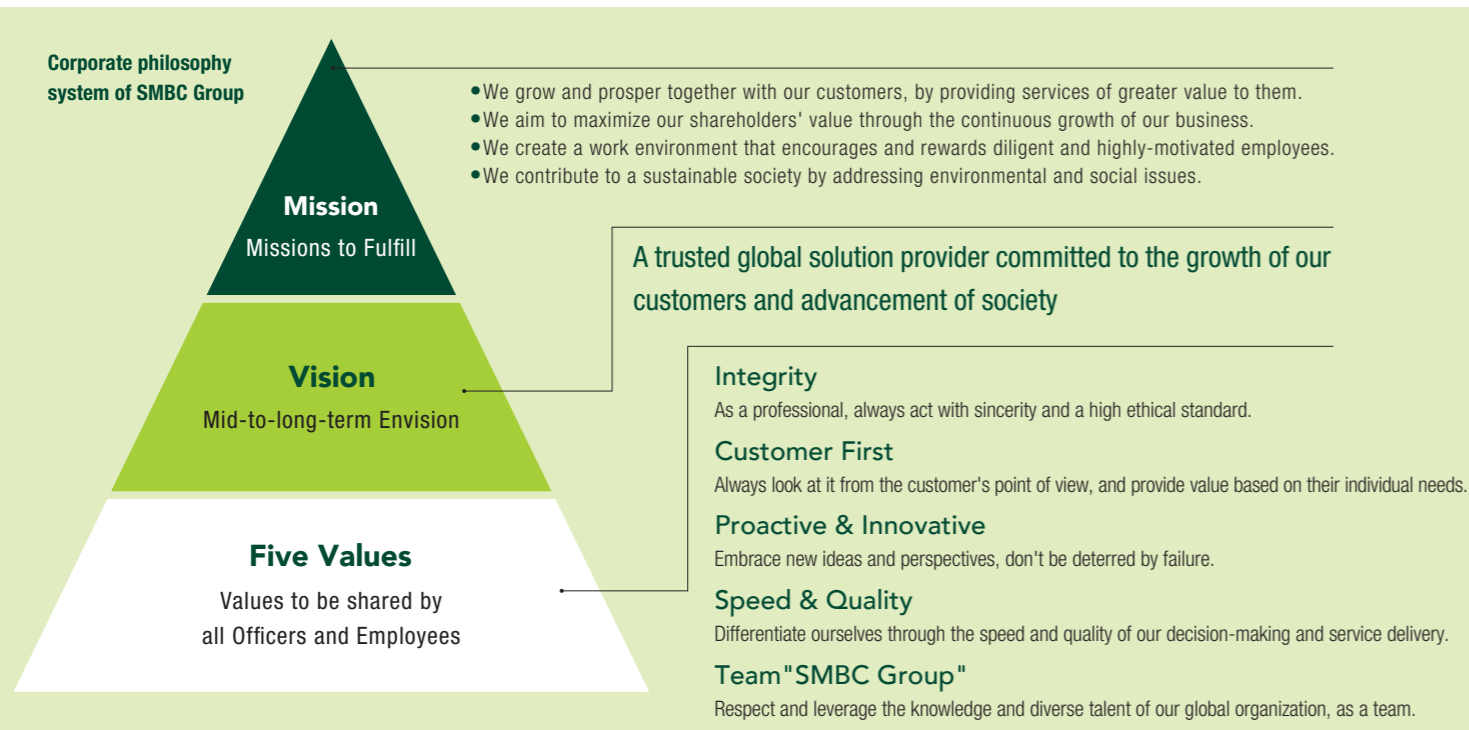
### 1989- Overseas Expansion

In August 1989, the company made its entry to the automobile installment sales market in Taiwan. In February 1992, our first overseas consumer finance business subsidiary PROMISE(HONGKONG)Co., Ltd. was established.

- 1993
  - Registered as over-the-counter share in the Japan Securities Dealers Association
- 1995
  - Hanshin-Awaji earthquake
- 1996
  - Commencement of "PROMISE Essay Contest"
  - Listed on the First Section of the Tokyo Stock Exchange
- 1997
  - Liaison group established by five major consumer finance companies

# As an SMBC Group Member

The SMBC Group launched a new group-wide management framework in April 2017, introducing the business division system to further enhance its ability to interact with customers in an integrated manner as a unified group. In April 2018, "SMBC" was designated as Group's main brand. In addition, the Group has also unified the naming and logo of member companies with their cooperation, in an effort to enhance group brand recognition and brand value. In addition, together with the 'Vision' describing the objectives in mid-to-long-term and the 'Five-Values' to be shared by all officers and employees, SMBC Group forms our basis corporate philosophy in order to fulfill missions to all stakeholders.



## SMBC List of SMBC Group Companies

SUMITOMO MITSUI FINANCIAL GROUP	Sumitomo Mitsui Finance and Leasing	SMBC FINANCE SERVICE	Sumitomo Mitsui DS Asset Management
SUMITOMO MITSUI BANKING CORPORATION	SMBC NIKKO	SMBC CONSUMER FINANCE	
SMBC TRUST BANK	SUMITOMO MITSUI CARD	Japan Research Institute	

## SMBC CONSUMER FINANCE Group Companies

Company Name	Established	Principle Business	Company Name	Established	Principle Business
Abilio Servicer Co., Ltd.	March 1999	Loan management and collection	PROMISE (SHENYANG) CO.,LTD.	December 2010	Small loans (Consumer finance)
SMBC Guarantee Co., Ltd.	July 1976	Credit Guarantee	Promise Consulting Service (Shenzhen) Co.,Ltd.	July 2012	Outsourcing for the operation of group companies, System development & planning
PROMISE (HONG KONG) CO.,LTD.	February 1992	Consumer finance	PROMISE (TIANJIN) CO.,LTD.	December 2012	Small loans (Consumer finance)
良京實業股份有限公司	August 1989	Loan management and collection	PROMISE (CHONGQING) CO.,LTD.	August 2013	Small loans (Consumer finance)
普羅米斯資產管理股份有限公司	April 2014	Loan management and collection	PROMISE (CHENGDU) CO.,LTD.	November 2013	Small loans (Consumer finance)
PROMISE (THAILAND) CO.,LTD.	March 2004	Consumer finance	PROMISE (WUHAN) CO.,LTD.	November 2013	Small loans (Consumer finance)
PROMISE (SHENZHEN) CO.,LTD.	May 2007	Small loans (Consumer finance)	PROMISE (SHANGHAI) CO.,LTD.	May 2014	Small loans (Consumer finance)
			VPBank SMBC Finance Company Limited	February 2015	Consumer finance

# Firm Advancements and Further Challenges



## A pioneer in consumer finance

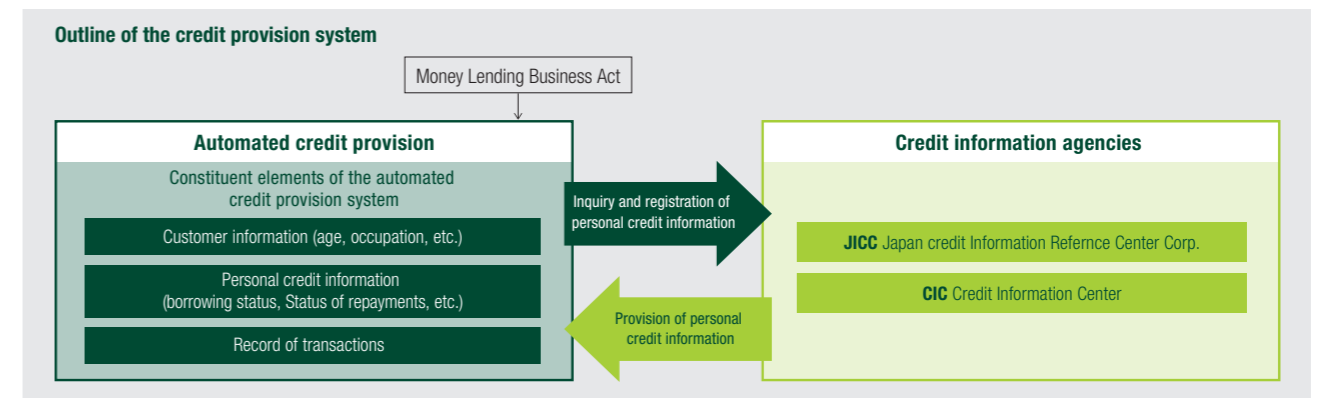
Our origin goes back to the establishment of "Kansai Financing" on March 20, 1962. The company changed its name to "Kansai PROMISE" in February of the following year and commenced its consumer finance business in that year specializing in small unsecured loan. It introduced finance system using checkbooks in similar form of a promissory note, what was the predecessor of revolving model.

20 years later, we became the first consumer finance company in Japan to introduce an automated credit provision system in August 1983. This system allows us to automatically set the credit limits and make quick and accurate loan decisions based on customer information gathered through inquiries to customers and credit bureau, along with customer attributes and transactions accumulated since our establishment.

To date, we have been reviewing and improving this system on a regular basis, in order to provide credit in light of the management environment as needed. We also constructed credit provision systems that calculated appropriate credit limit for each customer in compliance with relevant laws and regulations of each foreign country, same as Japan. Furthermore, we utilized AI technology to re-construct our credit assessment system in 2018. Leveraging the strength of this system and digital technologies, we are working to improve the accuracy of our credit judgement so our customers can make transactions with security and peace of mind.

The essence to our business is credit expertise. We inquire with credit bureau not only during the pre-contract assessment process but also on a regular basis after a contract is established. We do so in order to learn about any changes in the customer's situation and check their individual transactions one by one to ensure they do not overstretch themselves. The characteristics of consumer finance business is described as 4"S": Speed, Simple, Secret, Safety. We have been providing services following this "4S" so that customers can get finance from us with peace of mind. Leveraging this strength of "4S" cultivated in the consumer finance business, we are utilizing the same business model and credit expertise to expand our guarantee business in collaboration with financial institution partners, our global business development in Taiwan, Hong Kong, Thailand, mainland China, and Vietnam, and our servicer business as well.

As a pioneer in this Japanese consumer finance market, we will continue to develop services to improve security and convenience while leveraging our expertise to develop various businesses in order to meet diverse funding needs of customers.



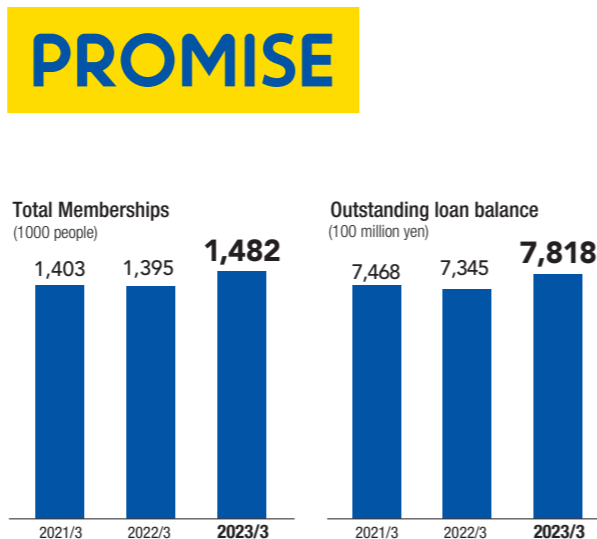


## Financing business

### Providing Better Services to More Customers

#### Financing services that provide greater convenience for customers

PROMISE is one of our financing business arms. Its main offering is Free Cashing (revolving loans), which meets the various borrowing needs of individual customers. Other offerings include Card Loans for the Self-employed, which meet the funding needs of self-employed individuals, and Consolidation Loans, which aim to ease the burden on those who are repaying multiple loans. In recent years, under the theme of digital transformation, we have been providing App Loans using our official app PROMISE as a platform in order to speedily meet customers' financial needs. Utilizing the resources of the SMBC Group, in February 2022, we introduced V Points, a point service common to the Group, and in March 2023, we started issuing Promise Visa cards, which has credit functions from Sumitomo Mitsui Card Co., Ltd.

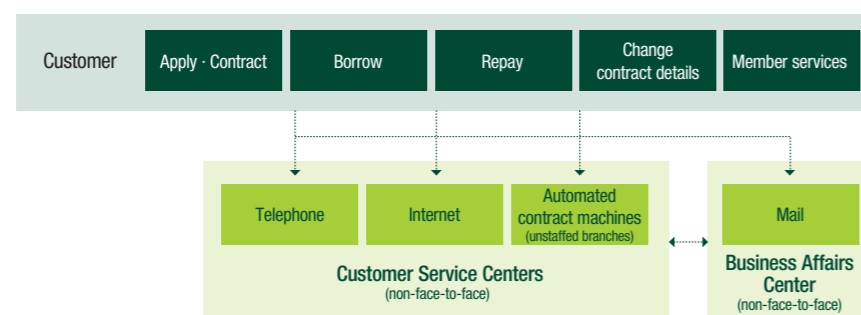


#### Various channels available to meet different customer needs

We have established a network of various channels in order to promptly meet customer needs for convenient services that can be used at any time, anywhere, with peace of mind. At our Customer Service Centers, located in eastern and western Japan, we receive and screen loan applications, and provide consultation and guidance on borrowing and repayment through contactless channels, including our automated loan contracting machines, the Internet, and telephone. In February 2023, we introduced a consulting service via smartphone, whereby customers can receive advice on an application for a new loan from an avatar whose voice and gestures are matched to one of our employees. This service allows us to present materials and share screens depending on individual customers' inquiries. The

Customer Service Centers have established a system that centrally holds information about individual customers' use of our services and provides all kinds of support, thereby allowing customers to use our services with peace of mind. The Centers' constant efforts to improve customer response quality have resulted in 11 consecutive years of certification under COPC,®\* or international quality assurance standards for contact center operations, since 2013.

\*The COPC® CX Standard for CSPs Release 7.0 is a global quality assurance standard that was developed specifically for contact center operations to improve customer satisfaction and ensure efficient operations. This certification is given to contact centers that have fulfilled and maintained the prescribed standards to an excellent level, particularly in relation to customer response performance.



## Solution business

### Expanding into new business areas through collaboration

#### Expansion of our loan guarantee business and creation of new businesses and services

Our medium-term management plan for fiscal 2023 onward states "expanding into new business areas" as one of our strategies, and we are working to create new businesses and services while further expanding our loan guarantee business by providing solutions designed for financial institutions.

As solutions for financial institutions, we are promoting the planning and sales of (1) external guarantees for housing loans, (2) provision of the Loan Operations Digitization Platform, and (3) new partnerships in guaranteeing personal loans.

##### (1) External guarantees for housing loans

By building a system of collaboration with SMBC Guarantee Co., Ltd., which became our subsidiary in 2022, we are newly selling guarantees for housing loan products offered by regional financial institutions.

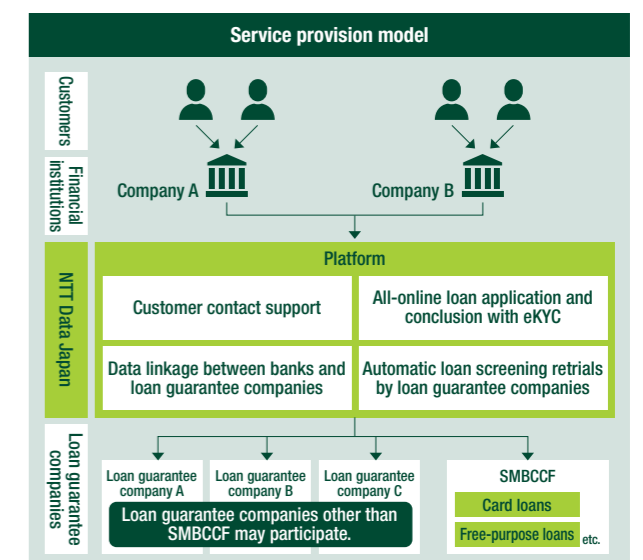
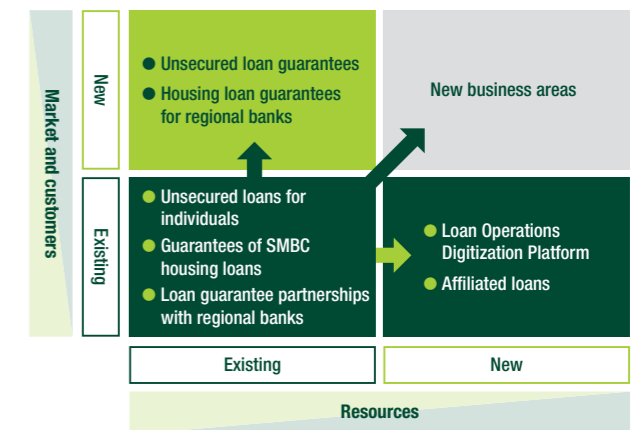
##### (2) Provision of the Loan Operations Digitization Platform

In collaboration with NTT Data Japan Corporation, we have built a platform that supports the digitalization of overall operations regarding loans, and we have begun providing the platform to financial institutions. In the personal loan business, financial institutions and loan guarantee companies are faced with inflated system costs and more complicated administrative operations. By resolving these issues through the realization of digital transformation and providing new value to financial institutions and users, we aim to contribute to the expansion of the personal loan market and become the industry standard.

##### (3) New partnerships in guaranteeing personal loans

Leveraging the expertise we have developed in credit and loan management, we currently partner with 188 financial institutions to provide them with personal loan guarantees. Aiming to further expand our loan guarantee business, we are promoting new loan guarantee partnerships with financial institutions by strengthening our collaboration with the SMBC Group and providing the Loan Operations Digitization Platform.

For the creation of new businesses and services, we are promoting collaboration and co-creation with corporate customers, mainly based on the SMBC Group's customer base. By leveraging the expertise we have cultivated in consumer finance, we aim to propose solutions that may contribute to the revitalization of our partners' core business and their business diversification, thereby developing our new business models.





## Loan Guarantee business

### Providing Services to Meet Diverse Funding Needs

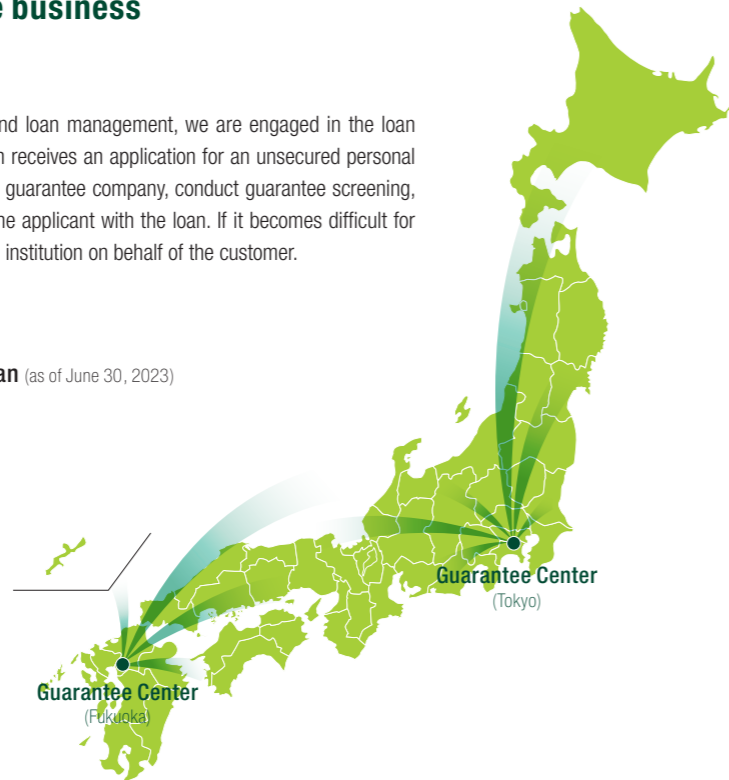
#### Expansion of our loan guarantee business through the use of our expertise

Leveraging the expertise we have developed in credit and loan management, we are engaged in the loan guarantee business. When our partner financial institution receives an application for an unsecured personal loan, it screens the application, and then we, as the loan guarantee company, conduct guarantee screening, based on which the financial institution accommodates the applicant with the loan. If it becomes difficult for the customer to repay the loan, we will repay the financial institution on behalf of the customer.

#### Partner financial institutions across Japan (as of June 30, 2023)

Banks	71
Credit unions	79
Credit associations	34
Others	4

Partner financial institutions to which loan guarantee is provided **188**



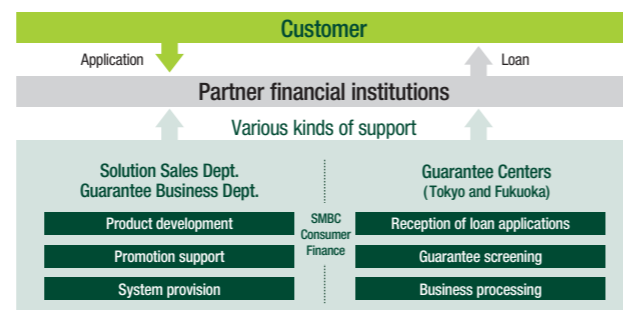
Our loan guarantee business started in April 2003. In 2005, we formed a loan guarantee partnership with Sumitomo Mitsui Banking Corporation, a company of the SMBC Group, which we have joined. We now partner with financial institutions across Japan to provide them with loan guarantees. Our Guarantee Centers, located in Tokyo and Fukuoka, are entrusted with application reception and guarantee screening for unsecured personal loans provided by our partner financial institutions. In October 2018, they became Japan's first guarantee centers serving as BPO\* contractors to obtain certification under COPC® international quality assurance standards.

We also dispatch our employees to some of our partner financial institutions. The employees provide support in setting up and operating call centers, and share our expertise with the financial institutions in collaboratively running the call centers, including the Sumitomo Mitsui Banking Corporation Card Loan Plaza, which opened in 2005.

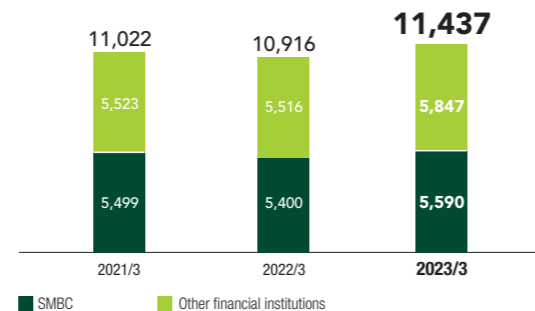
We will continue to conduct appropriate credit management, develop financial products tailored to the characteristics and needs of our partner financial institutions, and plan and propose sales promotions and other matters for these financial institutions, thereby meeting a broad range of financial needs of customers.

\* BPO, or business process outsourcing, refers to continuous entrustment of a series of business processes to outside companies.

#### Support tailored to a wide variety of needs



#### Guaranteed loans outstanding (Billion yen)



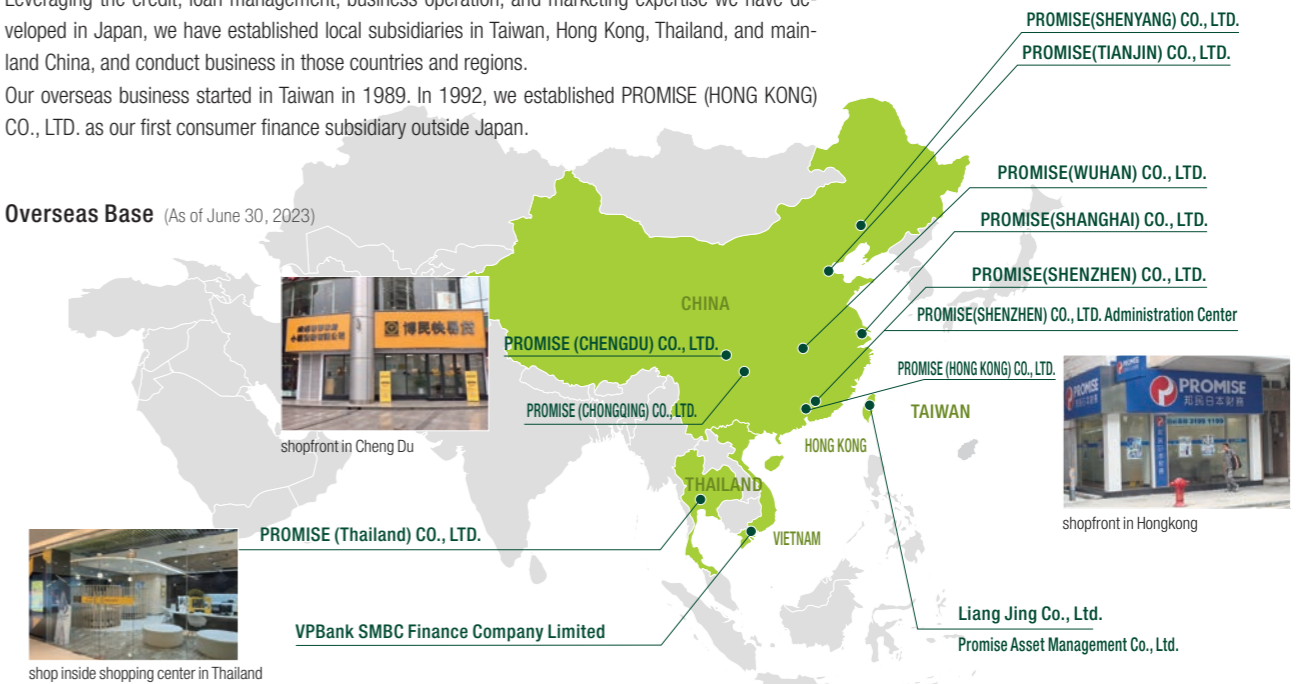
## Overseas business

### Providing Reliable and Secure Financial Services Worldwide

#### Consumer financial services spreading in Asia

Leveraging the credit, loan management, business operation, and marketing expertise we have developed in Japan, we have established local subsidiaries in Taiwan, Hong Kong, Thailand, and mainland China, and conduct business in those countries and regions. Our overseas business started in Taiwan in 1989. In 1992, we established PROMISE (HONG KONG) CO., LTD. as our first consumer finance subsidiary outside Japan.

#### Overseas Base (As of June 30, 2023)



PROMISE (HONG KONG) offers unsecured and unguaranteed small loans to individuals as we do in Japan, and has 19 staffed branches throughout Hong Kong. In response to recent growing needs for online transactions, PROMISE (HONG KONG) introduced an all-online service in November 2014 to strengthen its online application reception function. This is just one example of PROMISE (HONG KONG)'s efforts to quickly grasp customer needs and provide highly convenient services.

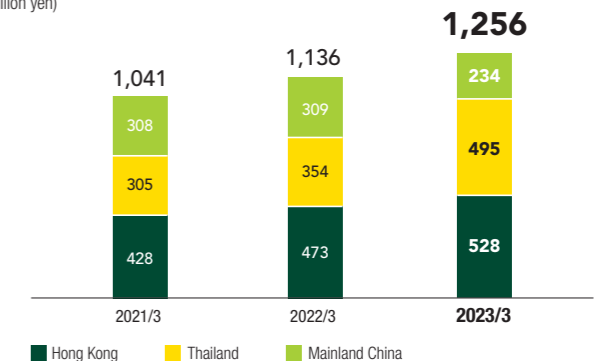
Based on our track record at PROMISE (HONG KONG), we established PROMISE (THAILAND) in 2004. PROMISE (THAILAND) has reception desks at 102 service points\* throughout the country, and strives to enhance sales promotions through TV commercials and Internet advertising, aiming to become a familiar personal loan company.

\* These unstaffed reception desks only receive loan applications in contrast to staffed branches, which cover the entire process, from loan application and conclusion to repayment.

After gaining experience in running PROMISE (HONG KONG) and PROMISE (THAILAND), we have established local subsidiaries in seven cities in mainland China. The service brand we use in mainland China is Bo Min Kuai Yi Dai. The sales staff strive to develop local networks, and the local subsidiaries endeavor to improve customer convenience through personal authentication on an online platform and the digitalization of contract documents, aiming to provide local customers with services of their choice.

In 2021, as part of the SMBC Group's Asian multi-franchise strategy, we acquired a 49% stake in FE Credit, Vietnam's largest consumer finance company. We aim to contribute to FE Credit's further development by leveraging the consumer finance expertise we have cultivated over many years in Asia. By absorbing FE Credit's advanced digital methods and other expertise, we also aim to strengthen the growth strategies of both companies.

#### Customer loans outstanding (Billion yen)





# Loan management business

## Strengthening Businesses with Expertise

### Loan management system that supports other businesses

In addition to our credit investigation expertise, one other strength of SMBC Consumer Finance is our loan management expertise, which support other businesses.

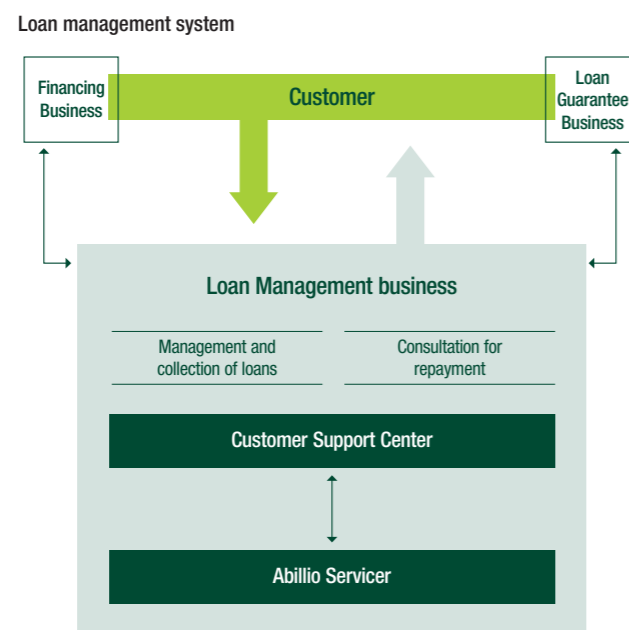
Our Loan management services are provided by Customer Support Center and subsidiary company Abilio Servicer. These two organizations work together to build the best possible loan management system.

The Customer Support Center is newly established in April 2021 through the integration of previous Counseling Center (offered repayment consultation services by dedicated staffs with specialist expertise to support customers from their perspectives) and Loan Administration Center (provided management and collection of long-overdue loans in the Financing Business, reimbursement claims in the Loan Guarantee Business, handling of customer claims for repayment of settled interests and legal advice) to combine their strengths and benefit from the synergy.

Customer Support Center staffs communicate with customers about

repayment concerns directly over the phone to gain an understanding of their circumstances and needs, in order to offer tailored proposals and advice for solutions. Through such approach, we are seeking to support both 'Now' and 'Future' of our customers by providing 'genuine repayment consultations'.

Abilio Servicer undertakes the servicer business of managing and collecting loans and purchases small and large loans from financial institutions across the country. With an extensive network of five operating bases across Japan, Abilio Servicer is developing its business activities by providing services to more than 2,200 financial institutions which consist primarily of banks and credit unions. In addition, Abilio Service is also taking on new challenges including business revitalization projects and collaboration with other SMBC Group companies.



# Sustainability at SMBC Consumer Finance

SMBC Consumer Finance is involved in activities for the realization of a sustainable society in accordance with the basic policy set out by the SMBC Group.

### SMBC Group Statement on Sustainability

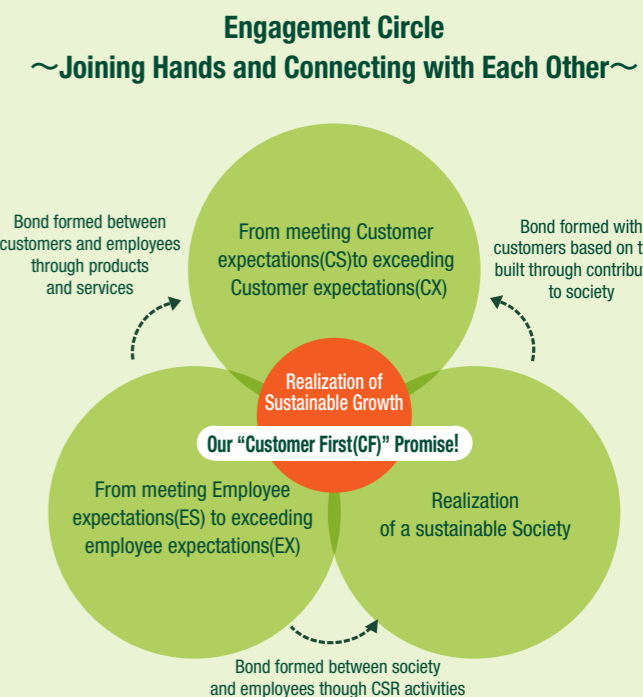
As a Group which has roots in Mitsui and Sumitomo, SMBC Group has continuously upheld its commitment to sustainability. Based on initiative that we have set out for our concentrated efforts for issues in society, we will drive forward our efforts to make sustainability a reality.

### Definition of Sustainability

SMBC Group defines sustainability as "creating a society in which today's generation can enjoy economic prosperity and well-being and pass it on to future generations."

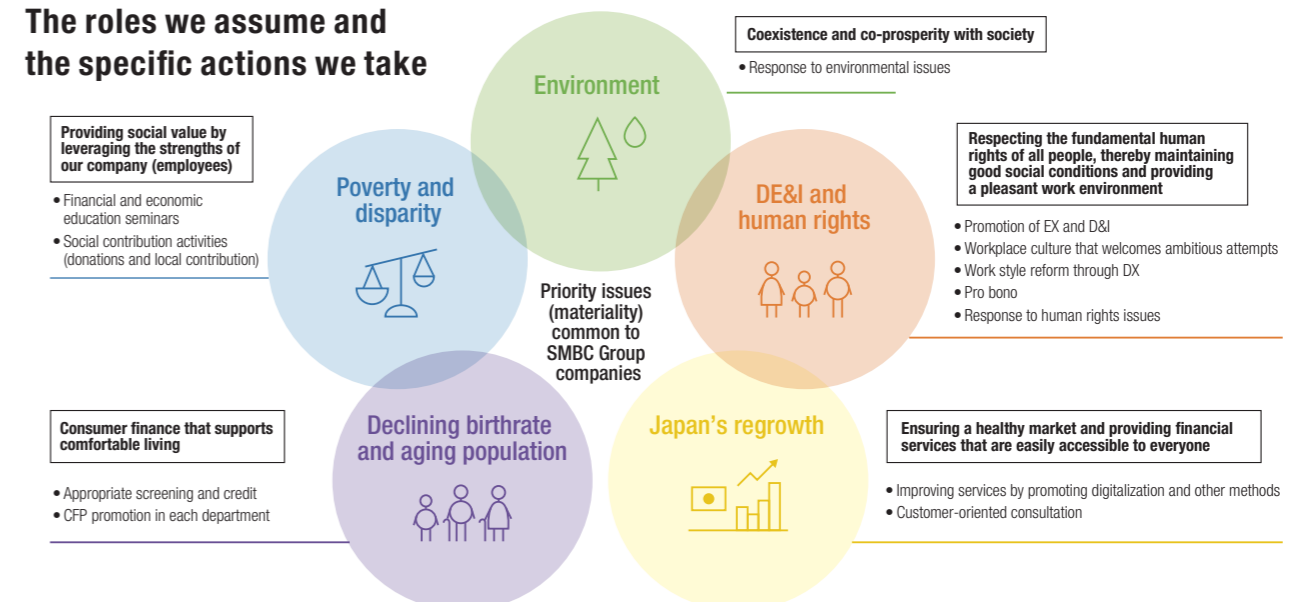
### Sustainability at SMBC Consumer Finance

As a member of SMBC Group, we establish solid management infrastructure and ensure thorough compliance. Each employee thinks about "what we can do" to solve the problems of all stakeholders and contribute to sustainable development of the society as a whole. We have identified the following "important sustainability topics" to tackle through our business operation: "Forming a sound consumer finance market", "Building a lively society and happy, healthy lifestyle for People", and "Promoting earth-friendly business activities."



SMBC Consumer Finance (SMBCCF) expressing our PROMISE (which is also our service brand) of "Customer First" approach.

### The roles we assume and the specific actions we take



## Social Contribution Activities

### Education programs to improve financial literacy

#### ✓ Financial and economic education seminars

The SMBC Group aims to create a society where everyone can acquire correct knowledge about money and live with peace of mind. To this end, the Group provides a variety of financial and economic education for a wide range of generations by leveraging the knowledge and expertise possessed by individual Group companies. As a member of the SMBC Group, we have worked to spread financial and economic education among students, who will shape the future, as well as local residents.

This education activity started in 2011 and has been participated in by over 1.5 million people in total, as of March 2023. Moreover, our financial and economic education activities have been supported by the Ministry of Education, Culture, Sports, Science and Technology, and won the Judging Committee's Encouragement Award at the Awards for Companies Promoting Experience-based Learning Activities for Youth.



#### ✓ The video content shows receipt of the Award of Excellence in the Consumer Education Material Award 2022, conducted by the National Institute on Consumer Education.

Beginning in June 2021, 40 videos of content were made available free of charge to support schools that had been missing out on face-to-face teaching opportunities due to the COVID-19. As educational materials that can be effectively used in schools, we received the Award of Excellence in the Consumer Education Material Award 2022, conducted by the National Institute on Consumer Education.



#### ✓ Developing an active learning type program

We will not stop holding seminars where you can acquire correct knowledge about "money" until now. The program was created to provide an opportunity to confront future life and working in society through the study of "money", and to foster an attitude of actively learning on one's own initiative.



### Supporting cultural education activities

We are a long-standing sponsor of The Promise Essay Contest. The 27th contest has been conducted in 2022. In recent years, this contest has seen over 7,000 entries from a wide range of age groups and have been utilized in school education as in-class learnings and assignments.



### Donations

The internal fund-raising system Yakusoku-no-Mori\* has been set up as a scheme that allows employees to think about and participate in contribution to society in a more familiar way. Through this scheme, we provide support for children's welfare facilities (Japan National Council of Children's Homes), children's self-reliance living assistance services (National Council of Self-Reliance Support Homes) and projects to raise hearing dogs (The Japan Hearing Dogs for Deaf People). We also provide support through the SMBC Group Rising Fund for executives and employees of SMBC Group companies.

\* A matching donation scheme allowing employees to determine the recipient and monthly donation value. The amount is deducted from participating employee's monthly salary and complemented by certain payment from the company.

### Environment management system

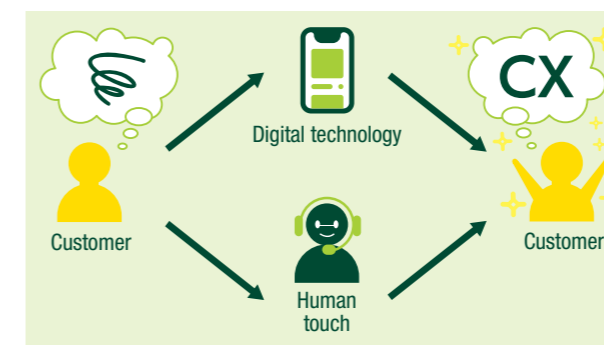
In October 2014, we established an environmental policy and built an environmental management system to contribute to the environment through our business, such as increasing customer convenience through digitalization, promoting the use of web statements, and promoting card-less transactions.

## Working for Customer Satisfactions

### CX (Customer Experience)

#### Initiatives to improve services through a thorough customer-first approach

Since our founding, we have striven to improve CX by thoroughly providing services from the customer's perspective, including App Loans, which allow customers to complete the entire loan process, from application to borrowing, on their smartphones, and V Points, which can be used conveniently in their daily lives. This fiscal year, we are promoting effective companywide CX activities under the basic policy of "enhancing our CX activities that focus on the provision of 'services that exceed customer expectations' and pursuing desirable results." We aim to provide the best services that meet the needs of individual customers, both in terms of digital technology and human touch.



#### Companywide service improvement activities aimed at exceeding customer expectations

On a daily basis, we identify issues to address and points to be improved, based on the feedback that customers directly give us, as well as service and business improvement proposals that employees come up with in their daily work.

These identified issues and points to be improved are mutually discussed from various perspectives among personnel from customer service departments and head office divisions, and specific solutions are determined.

The voices of customers and the progress of improvements are promptly shared with all employees, as well as management, through meetings and web-based internal newsletters. We strive to promptly implement the determined solutions with the cooperation of the relevant departments.

For examples of the improvements we have made based on customer feedback, please visit our website.

### BPR\* (Business Process Re-engineering)

#### Company-wide BPR Promotion

We established "BPR Business Department" in FY2020 in order to improve customer satisfaction and gain competitive advantage against other companies. It will take over BPR promotion activities previously conducted by each department and function as a centralized, cross-organizational department responsible for BPR planning and promotion for the entire group.

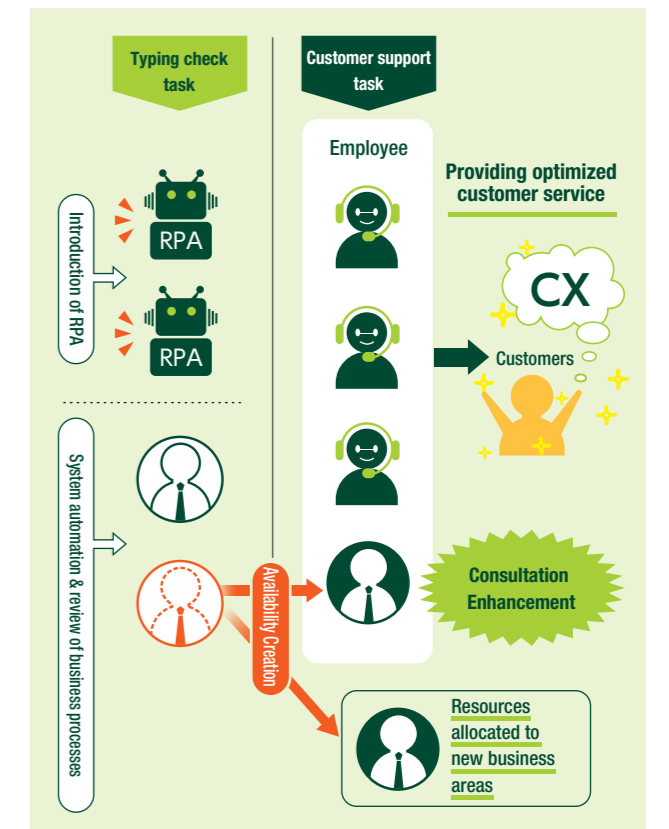
\* Review and restructure business operations with the objective of improving efficiency or productivity.

#### From BPR to company growth

We uphold the following as the ultimate objectives of BPR: Allocating the additional availabilities created by BPR to "EX improvement", "CX improvement" and "Expansion into new growing fields" and leading to the company's future growth. In addition, The "BPR promotion leader" nominated from each department, the BPR promotion department and other related departments in head office will work together to form a team and collaborate closely to discover and implement BPR proposals for improvement.

\* Responsible for actively promote BPR activities by sharing initiatives and broadcasting information company-wide.

#### Example of CX improvement through BPR Business Dept.





## Employee facing initiatives

### How we evaluate our employees

SMBC Consumer Finance evaluates our employees as "Human Capital" and believes in "Supporting each individual growth." Based on this belief, we are actively focusing on employee training in line with three policies: 1. Provide training tailored to career needs; 2. Encourage employees to develop skills; and 3. Provide ongoing training for the career advancement of diverse employees. We are also concentrating our efforts on the development of human capital "capable of sensing current needs based on changes and trends in the internal and external environment, carefully considering necessary action, and rising to the challenge of our transformation for the creation of new value".

### Diversity Initiatives

We are committed to promoting diversity with the objective of creating a work environment where each employee can fulfill their full potential and feel motivated to work, irrespective of gender, age, nationality, disability, or form of employment. To this end, we take various measures, such as introducing region-specific job and short-time work systems to support a balance between work and childcare, implementing various training programs to promote the empowerment of female and senior employees, promoting understanding of LGBTQ issues, and revising our HR systems. We have also appointed engagement ambassadors in each department to help change the mindset of employees and create a motivating work environment. Through these initiatives, we aim to create an environment where diverse talents can work with a sense of achievement and passion to grow.



### Efforts to increase the employee satisfaction level

We are taking steps to not only increase the customer satisfaction level, but also create a working environment with a high employee satisfaction level. We are also striving to achieve a work-life balance for employees by supporting their life events and work at the same time, through measures such as introducing region-specific jobs and work in a reduced schedule, providing information to employees who have taken maternity leave and childcare leave, and holding a support seminar for return to work. For employees who wish to focus on self-improvement, we have also introduced correspondence courses to help them acquire qualifications such as the head of money lending operations and improve their skills. We are also enhancing the quantity and quality of welfare program menus by introducing a cafeteria plan<sup>\*1</sup>, for example, in which employees can use the welfare program in step with changes in their



lifestyles. To strengthen the EAP<sup>\*2</sup> system, we are developing a range of activities, including responses to leaves of absence and return to work, the planning and promotion of mental health education, the enhancement of cooperation with industrial doctors and industrial health staff, the establishment of a healthcare room and the holding of safety and health committee meetings.

<sup>\*1</sup> Cafeteria plan: A welfare program operation method by which points are granted to eligible employees each year so that they can choose and use the predetermined menus within the range of points granted.

<sup>\*2</sup> EAP: Employee Assistance Program

### Implementation of Health & Productivity Management

Our management foundation is supported by our employees. In order to maintain and improve the health of themselves and their families, we have appointed the President and Representative Director as the Chief Health Management Officer, and we promote health management based on our Health & Productivity Declaration Statement. In March 2023, we received the "Excellent Corporation for Health Management (Large Corporation Category)" certification, which was jointly issued by the Ministry of Economy, Trade and Industry and the Japan Health Council.

#### Health & Productivity Declaration Statement

SMBC Consumer Finance is committed to "Health & Productivity Management", to enable every employee to continue working energetically in good physical and mental health and delivering customer-oriented services for the realization of its Vision for the Future: Aiming to become a highly trustworthy global consumer finance company.

SMBC Consumer Finance also declares that it is working closely with its health insurance society to actively encourage employees and their families to take the initiative and maintain and improve their own health.

## Corporate Governance

### Basic Stance on Corporate Governance

We believe that effective corporate governance is integral to the prosperous coexistence of SMBC Consumer Finance and its group companies with society as a trusted corporate citizen. To this end, we constantly strive to strengthen our management structure, improve our internal control and audit systems and further improve the efficiency, soundness and transparency of management through the prompt and fair disclosure of corporation information on a pillar of ethical and legal compliance.

### Risk Management

We are enhancing our risk management system with proactive involvement of the executive team, in order to properly manage and control various risks surrounding the Company and each group company, maintain sound and appropriate organization management, and continuously improve our corporate value. We have established Risk Management Committee to identify and appropriately manage all risks surrounding the entire company Group. By providing flexible support across the whole company when any risk is actualized, we aim to maintain sound business operation and ensure appropriate management. In addition, we have introduced the SMBC Group's common Risk Appetite Framework as one part of our effort to build a risk-sensitive business management system in order to bring it up to an advanced level.

### Compliance

Positioning thorough compliance as one of our most important management issues, we go beyond simply complying with laws and regulations to ensure that our conduct is in line with social norms and widely supported by society. To this end, we work to enhance and strengthen our compliance system through modifications to our company regulations and organizational structure, and the implementation of in-house education and ongoing awareness-building activities. Our organizational structure for compliance consists of the Risk Management Department, which supervises compliance, the Compliance Promotion Department, which strengthens coordination between operations divisions, and a compliance officer in each department. They all work to maintain our appropriate system of complying laws and regulations. The Internal Audit Department and the Global Internal Audit Department regularly audit such compliance system and activities from an independent standpoint to verify their appropriateness. Moreover, we have set up consultation desks both inside and outside the company to enhance our ability to control ourselves through the early detection and correction of acts that violate laws and regulations, and we strive to reinforce our whistleblowing system under the Whistleblower Protection Act.

### Response to antisocial forces

We have organized our preparedness for severing all relationships with antisocial forces by establishing a basic policy on how to deal with these forces. We have established the Basic Policy on the Exclusion of Antisocial Forces to sever and eliminate relationships with antisocial forces in a determined attitude, maintain public confidence in SMBC Consumer Finance, ensure businesses are run appropriately, and prevent damage caused by antisocial forces.

<sup>\*</sup> We have established the 'Antisocial Forces Exclusion Protocols' which contains this policy.

### Countermeasures against money laundering and terrorism financing

We are taking steps to prevent the violation of regulations on money laundering and terrorism financing based on requests from international organizations such as FATF<sup>\*</sup> and countries concerned, as well as laws and regulations in Japan and other countries, to secure appropriate business operations.

<sup>\*</sup> An abbreviation for the Financial Action Task Force.

### BCP (Business Continuity Plan)

We have established procedures in relation to emergency measures, in order to respond promptly and appropriately in the event of an emergency such as natural disasters. In addition, we have formulated a BCP (Business Continuity Plan) to ensure business continuity and early recovery from such events. We conduct 'BCP Training' on a regular basis, including various trainings on initial response and other measures upon large-scale disasters (earthquake, etc.). Through these on-going trainings, issues are identified and improvements are considered to enhance our emergency response system.

## Information

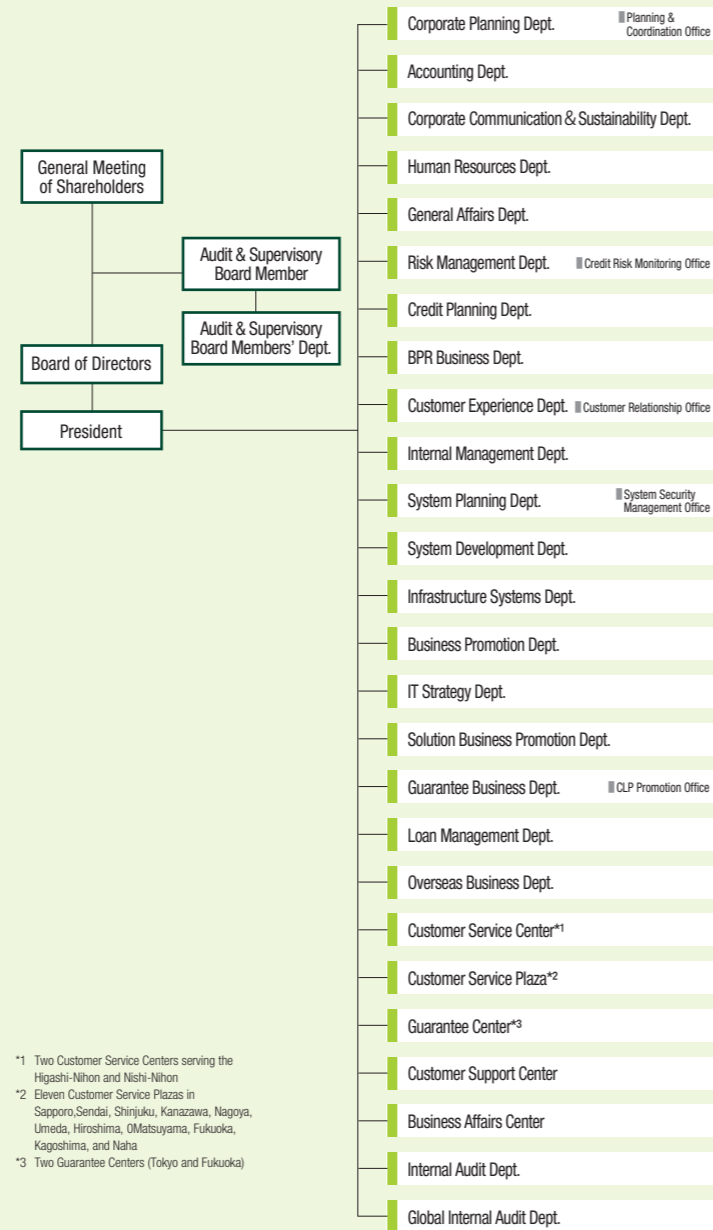


Exterior of Headquarters Office

<b>Trade Name</b>	SMBC Consumer Finance Co., Ltd.
<b>Date of Establishment</b>	March 20, 1962
<b>Paid-in Capital</b>	140,737 million Yen
<b>Shareholder</b>	Sumitomo Mitsui Financial Group 100%
<b>Fiscal Year</b>	April 1 to March 31
<b>Head Office</b>	2-2-31, Toyosu, Koto-ku, Tokyo, 135-0061, Japan
<b>Telephone</b>	03-6887-1515
<b>Principal Business</b>	Consumer Finance, Guarantee
<b>Employees</b>	2,139 (male 1,166, female 973)
<b>Average Age of Employees</b>	43.1 years old
<b>Association membership</b>	Japan Financial Service Association, Japan Credit Card Association, Japan Business Federation
<b>Service channels</b>	581* (as of June 30, 2023) * These are all (unstaffed) stores equipped with automated contract machines.

(Figures as of March 31, 2023)

## Organization



(as of April 1, 2023)

\*1 Two Customer Service Centers serving the Higashi-Nihon and Nishi-Nihon  
\*2 Eleven Customer Service Plazas in Sapporo, Sendai, Shinjuku, Kanazawa, Nagoya, Umeda, Hiroshima, O Matsuyama, Fukuoka, Kagoshima, and Naha  
\*3 Two Guarantee Centers (Tokyo and Fukuoka)

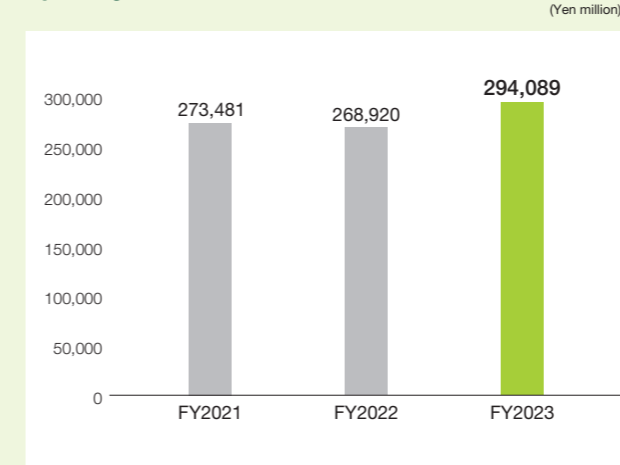
## List of Officers

President and Representative Director, Chief Executive Officer	<b>Ryohei Kaneko</b>	Audit & Supervisory Board Member	<b>Tomoichirou Muneno</b>	Managing Executive Officer	<b>Tsuneo Yamamoto</b>
Director, Vice President Executive Officer Senior Managing	<b>Masatsugu Kojima</b>	Audit & Supervisory Board Member	<b>Hideki Yamaguchi</b>	Managing Executive Officer	<b>Takeyoshi Enomoto</b>
Director, Senior Managing Executive Officer	<b>Masaki Miura</b>	Audit & Supervisory Board Member	<b>Akihiro Ito</b>	Executive Officer	<b>Hiroshi Kato</b>
Director, Managing Executive Officer	<b>Tatsuya Iochi</b>			Executive Officer	<b>Akira Sato</b>
Director, Executive Officer	<b>Masafumi Ogawa</b>			Executive Officer	<b>Yoshiyuki Kawamoto</b>
Director, Executive Officer	<b>Hiroshi Kikugawa</b>			Executive Officer	<b>Takayuki Okada</b>
Director, Executive Officer	<b>Norihisa Miyashita</b>			Executive Officer	<b>Nobuhiko Kobayashi</b>
Director	<b>Takashi Yamashita</b>			Executive Officer	<b>Atsushi Uematsu</b>
				Executive Officer	<b>Shuichirou Takubo</b>

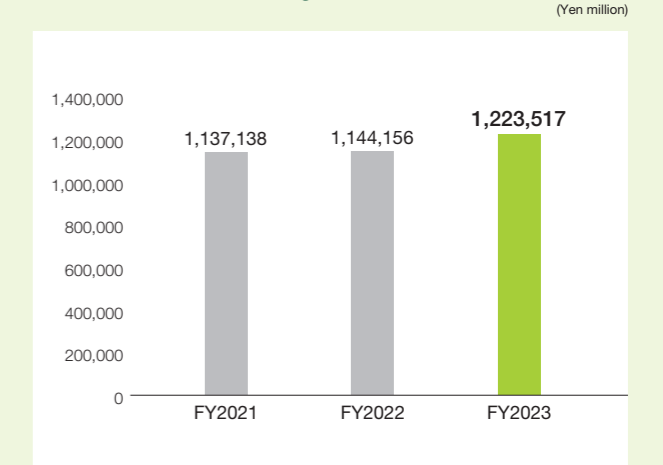
(As of June 30, 2023)

## Financial Highlights

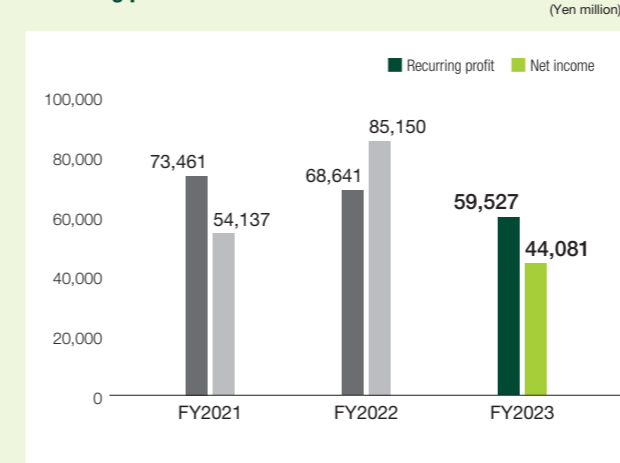
### Operating income



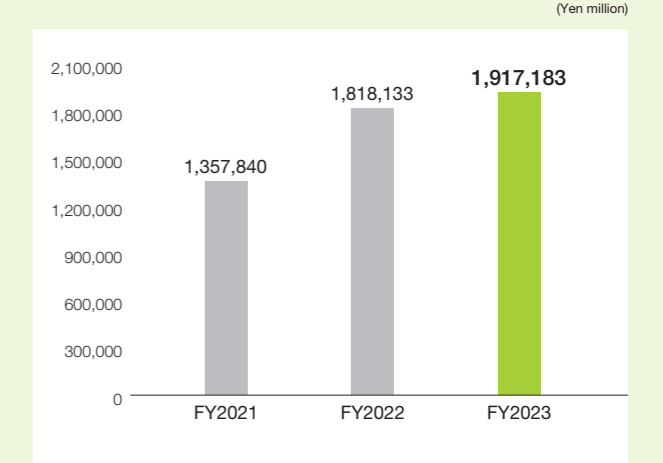
### Consumer loans outstanding



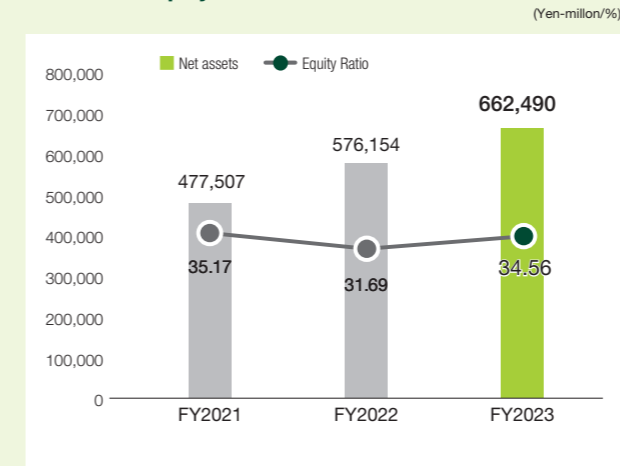
### Recurring profit / Net income



### Total assets



### Net assets / Equity Ratio



### Interest-bearing debt

