

【NEWS RELEASE】

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Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Introduction of an Internal Social Networking Service to Improve Employee Communication

Sumitomo Mitsui Financial Group, Inc. (President and Group CEO: Jun Ohta; hereinafter collectively referred to as “SMBC Group”) has set the improvement of employee engagement levels as a key initiative in the current Medium-Term Management Plan. In accordance with the said initiative, SMBC Group will strive to create a work environment where employees can pursue their aspirations in a positive and confident manner while at the same time realizing their full potential.

Sumitomo Mitsui Banking Corporation (President and CEO: Makoto Takashima; hereinafter referred to as “SMBC”) is pleased to announce that it will introduce an internal social networking service (hereinafter referred to as the “SNS System”) to enhance employee communication as part of its efforts to improve employee engagement. The SNS System will eventually be introduced to all member firms of SMBC Group.

SMBC established three pillars to realize its goal of enhancing employee engagement: the creation of a culture that encourages employees to pursue challenging goals and opportunities, a human resources development strategy that encourages the self-initiated growth of employees, and the transformation of existing operations/frameworks to allow employees to focus on duties which they find to be of interest. To realize these pillars, it is important to introduce a framework which allows employees to access a range of information, develop a mind frame in which they think about matters on their own initiative, and identify colleagues who they can collaborate with to realize and overcome challenges.

While the main purpose of the SNS System is to encourage management/employee and employee/employee communication that are not limited by organizational boundaries, increased communication due to the SNS System is expected to promote employee innovation.

Specifically, by leveraging the SNS System’s various digital application and tools, employees are able to learn about colleagues and other business fields, connect with likeminded colleagues, and share ideas/opinions with each other. This will support the establishment of a mindset that pays proper attention to career development/growth by strengthening offices’ ability to transmit

information and encouraging the employee-initiated establishment of online communities.

We aim to create a framework in which employees can create new business opportunities or transform existing businesses by easily sharing ideas and specialized departments/management acting as a mentor/sponsor to such employees.

The SNS System is actually an employee-initiated plan that won the support of management. We will strive to realize many other instances of employee-initiated plans becoming a reality.

In addition to the above, SMBC is working as one to enhance employee engagement, and it will promote the creation of a work environment where all employees can maximize their potential.

(1) Creation of a culture that encourages employees to pursue challenging goals and opportunities.

- Engagement surveys and 1-on-1 meetings to realize self-initiated improvement on an individual office basis.
- A free dress code that encourages employees to think freely without being bound by precedent.

(2) A human resources development strategy that encourages the self-initiated growth of employees.

- A new HR system that places greater weight on an employee's duties and contributions, and allows employees to play an active role regardless of their seniority or job type
- A expert/specialist framework that promises a career in a specific field to employees with a highly specialized skill set
- A career design support program that supports employee learning and employees take on new tasks/positions.

(3) The transformation of existing operations/frameworks to allow employees to focus on duties which they find to be of interest.

- An annual pitch contest to make new business ideas a reality.
- A business/operational improvement platform which collects suggestions from employees aimed at improving efficiencies and rewards/adopts such suggestions.