

SMFG's Proposal regarding Integration Ratio etc., Sent to UFJ

Tokyo, August 24th, 2004 -- Sumitomo Mitsui Financial Group, Inc. ("SMFG", President and CEO: Yoshifumi Nishikawa) announced today that it had sent to UFJ Holdings, Inc. and UFJ Bank Limited ("UFJ"), a written "Proposal regarding Integration Ratio etc.", including an integration ratio and how SMFG can contribute to the capital enhancement of UFJ. The brief overview of the proposal is as follows. SMFG believes the integration between SMFG group and UFJ group is the best choice for both groups' shareholders, customers and employees and SMFG strongly hopes that UFJ will positively examine its proposal.

1. Integration Ratio

As for an integration ratio with UFJ Holdings, Inc. ("UFJ Holdings"), we made an offer of 1.0 SMFG share to 1.0 UFJ Holdings share. This integration ratio will be translated into a premium of approximately 30% for UFJ Holdings shares on the basis of the recent share prices of each company. Since we estimate an average annual benefit from rationalization of operations to be at least ¥200 billion (pre-tax basis), we believe the integration ratio will lead to a considerable improvement of the shareholders value of SMFG as well as for UFJ shareholders. Lastly, this proposal regarding the integration ratio shall remain in effect until September 24, 2004.

2. Capital Enhancement

As for the capital enhancement, we have already proposed providing UFJ with the amount of ¥500 billion or more. In this proposal, we again confirm that we can provide a necessary amount of capital even in a situation that such amount reaches ¥700 billion.

In addition, SMFG can maintain its capital ratio at a sufficient level and hence does not consider raising capital for this possible capital contribution to UFJ.