

Statement on Media Reports on
“SMFG’s Proposal regarding Integration Ratio etc.”

TOKYO, August 27, 2004 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG”) sent UFJ Holdings, Inc. and UFJ Bank (“UFJ”) a written “Proposal regarding Integration Ratio etc.” (“the Proposal”), including an integration ratio and how SMFG can contribute to the capital enhancement of UFJ, on August 24, 2004. Since there were media reports which made false statement regarding the contents of the Proposal, we would like to provide an additional explanation as follows.

Today, there was a media report mentioning “‘(the integration ratio) is not legally binding’ is stated in the Proposal”. This is completely false and groundless.

Instead, the following phrase is stated in the Proposal: “Should we advance the integration process with UFJ, unless there are seriously material discrepancies from publicly disclosed information in the mutual due diligence process, this integration ratio will not be altered.”

The contents of this Proposal has been formally and officially resolved at SMFG’s board of directors, and therefore, should UFJ decide to accept this proposal, its legal binding force will be in effect.

As we have stated above, for the following reasons, our basic view is that “this integration ratio will not be altered”:

- A. UFJ’s publicly disclosed information has been audited by auditors and resolved by the board of directors. In addition, as UFJ belongs to the same financial industry, we have a good understanding of its business and we are confident in its profitability etc.
- B. We have incorporated downside scenarios in our analysis to come up with the current integration ratio which we proposed.