

**Notice regarding Repayment of Public Fund Preferred Stocks and
Repurchase of Capital Stock**

(Repurchase of Capital Stock Pursuant to Article 211-3, Paragraph 1, Item 2, of the Commercial Code of Japan)

TOKYO, September 30th, 2004 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG,” President and CEO: Yoshifumi Nishikawa) hereby announces that it had requested the Deposit Insurance Corporation of Japan (“DIC”) through the Resolution and Collection Corporation (“RCC”) for a partial conversion of its Type1 and Type 3 preferred stocks (aggregate amount of conversion: JPY201 billion) owned by RCC into common stock and disposal of such shares of common stock upon conversion, and the request was approved today as described below in Section 1.

SMFG also announces that, with a view to repurchasing the common shares issued upon conversion, the Board of Directors of SMFG resolved at the meeting held today that repurchase of capital stock, pursuant to the provisions of Article 211-3, Paragraph 1, Item 2 of the Commercial Code of Japan, be made as outlined below in Section 2.

PARTICULARS

1. Repayment of Public Fund Preferred Stocks

(1) Conversion of Preferred Stocks into Common Stock

At the request of SMFG, DIC approves the exercise of conversion rights by RCC regarding the preferred stocks below, and RCC converts a part of the preferred stocks into common stock.

Type of Preferred Stock	Type 1 Preferred Stock	Type 3 Preferred Stock	Total Amount
Total Amount of Conversion	JPY 96 billion	JPY 105 billion	JPY 201 billion
Number of Shares of Preferred Stock to be Converted	32,000 shares	105,000 shares	-
Conversion Price	JPY 947,100	JPY 349,600	-
Date of Conversion	September 30, 2004	September 30, 2004	-
Number of Shares of Common Stock to be Issued upon Conversion	101,362.06 shares	300,343.25 shares	401,705.31 shares

(2) Disposal of Common Shares Issued upon Conversion

At the request of SMFG, RCC will dispose the common shares it will obtain as a result of the conversion as described in Section 1-(1) above. SMFG will repurchase the common shares up

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to the authorized acquisition amount of JPY270 billion through the Tokyo Stock Exchange Trading Network System (closing price orders), with a view to repurchasing the common shares disposed of by RCC.

SMFG intends to hold the repurchased common shares as treasury stock for the time being.

(REFERENCE)

Summary of the public fund preferred stocks on which RCC will exercise its conversion rights upon SMFG's request:

Type of Preferred Stock	Type 1 Preferred Stock	Type 3 Preferred Stock
Original Date of Issue	March 31, 1999	March 31, 1999
Number of Shares Issued and Outstanding	67,000 shares	800,000 shares
Issue Price	JPY 3,000,000 per share	JPY 1,000,000 per share
Aggregate Amount of Issue	JPY 201 billion	JPY 800 billion

Summary of public fund preferred stocks other than the above:

Type of Preferred Stock	Type 2 Preferred Stock
Original Date of Issue	March 31, 1999
Number of Shares Issued and Outstanding	100,000 shares
Issue Price	JPY 3,000,000 per share
Aggregate Amount of Issue	JPY 300 billion

2. Repurchase of Capital Stock

(1) Reason for Repurchase

To buy back the common shares issued upon conversion of the public fund preferred stocks

(2) Details of Repurchase

- a. Type of capital stock to be repurchased : SMFG's common stock
- b. Total number of shares to be repurchased : Up to 405,000 shares
(6.5% of the aggregate number of outstanding shares of common stock)
- c. Total amount of repurchase price : Up to JPY 270 billion
- d. Schedule for repurchase : From October 1, 2004 to March 31, 2005

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<Number of common shares held as treasury stock as of September 30, 2004>

Number of outstanding common shares	
(excluding treasury stock)	: 6,202,692.74 shares
Number of common shares held as treasury stock	: 2,686.44 shares

(Note) The number of outstanding common shares (excluding treasury stock) includes the number of shares issued upon conversion as described in Section 1-(1) above.

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