

Withdrawal of Proposal for Integration with UFJ Group

TOKYO, February 25th, 2005 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG,” President and CEO: Yoshifumi Nishikawa) hereby announces that it has withdrawn its proposal for integration with UFJ Holdings, Inc. and UFJ Bank Limited (“UFJ Group”) and informed UFJ Group to that effect.

1. SMFG proposed its integration with UFJ Group on August 6th, 2004, offered the integration ratio on August 24th, 2004, and extended the expiration date of its proposal regarding the integration ratio to the end of June 2005. Since then SMFG had carefully observed the situation surrounding UFJ Group, such as how the discussion on the integration, including the one on the integration ratio, progressed between UFJ group and Mitsubishi Tokyo Financial Group, Inc. (“MTFG”), and the views of UFJ Holdings’ shareholders.
2. On February 18th, 2005, UFJ Group and MTFG officially announced the outline of the proposed merger between the two groups, including the merger ratio. By carefully and comprehensively examining the following points, through the perspective of SMFG’s shareholders, SMFG decided to withdraw the proposal for integration with UFJ Group:
 - (1) Factors such as each company’s recent stock price movement and the opinions of some investors suggest that most investors have accepted the proposed integration between UFJ Group and MTFG.
 - (2) Factors such as the progress of integration between UFJ Group and MTFG suggest that further continuation of SMFG’s proposal does not necessarily contribute to shareholders’ value of UFJ Holdings and SMFG.
3. SMFG had proposed integration with UFJ Group in a highly transparent manner, as it believed the integration between UFJ Group and SMFG would be the best option for both groups’ shareholders, customers, and employees. Although SMFG decided to withdraw its proposal for integration with UFJ Group, SMFG will strive to enhance its shareholders’ value by further strengthening its existing strategic businesses and expanding into new business lines, assimilating to the changes of business environment.