

Notice regarding Issuance of Preferred Stock

TOKYO, March 10, 2005 --- Sumitomo Mitsui Banking Corporation (“SMBC”, President and CEO: Yoshifumi Nishikawa) hereby announces that at today’s meeting of SMBC’s Board of Directors, the Board resolved to issue shares of preferred stock by means of third party allocation as follows:

1. Name of stock:
First Series Type 6 Preferred Stock of SMBC (the “Preferred Stock”)
2. Number of shares to be issued:
70,001 shares
3. Issue price:
3,000,000 yen per share
4. Aggregate amount of issue price:
210,003,000,000 yen
5. Portion of issue price which will not be accounted for as stated capital:
1,500,000 yen per share
6. Method of issue:
Direct allotment to Sumitomo Mitsui Financial Group, Inc. (“SMFG”) in its entirety
7. Application date:
March 29, 2005 (Tuesday)
8. Payment date:
March 30, 2005 (Wednesday)

This press release is published in order to publicly announce SMBC’s issuance of the Preferred Stock, not to solicit anyone into making any investment. This press release shall not be construed as an offering of securities in or outside of Japan.

9. Date from which dividends shall be deemed to accrue:

March 30, 2005 (Wednesday)

10. Preferred dividends:

Preferred dividends shall be paid to the holders of Preferred Stock (the “Preferred Stockholders”) or the registered pledgees of Preferred Stock (the “Preferred Registered Pledgees”) as follows:

(1) Preferred Dividends

88,500 yen per share; provided that the preferred dividends for the period from March 30, 2005 to March 31, 2005 shall be 485 yen per share.

(2) Non-accumulation provision

If the amount of dividends payable to Preferred Stockholders or Preferred Registered Pledgees is less than the Preferred Dividends in any fiscal year, such deficiency shall not be carried over for accumulation to the subsequent fiscal years.

(3) Non-participation provision

SMBC shall not pay dividends to Preferred Stockholders or Preferred Registered Pledgees in excess of the amount of the Preferred Dividends.

11. Preferred Interim Dividends:

44,250 yen per share

12. Liquidation distribution of residual assets:

In the event that SMBC makes a liquidation distribution of its residual assets, SMBC shall make a distribution of 3,000,000 yen per share of Preferred Stock to Preferred Stockholders or Preferred Registered Pledgees in preference to the holders of the shares of SMBC’s common stock (the “Common Stock”) or the registered pledgees of the Common Stock.

No liquidation distribution other than the above-mentioned distribution of 3,000,000 yen per share shall be made to Preferred Stockholders or Preferred Registered Pledgees.

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13. Retirement of Preferred Stock:

- (1) SMBC may at any time purchase the Preferred Stock and retire the same by reducing the profits distributable to shareholders by an amount equal to the relevant purchase price.
- (2) SMBC may, at any time on and after March 31, 2011, redeem all or part of the Preferred Stock at 3,000,000 yen per share. In case of a partial redemption, it will be effected by way of lot or other method.

14. Voting rights:

Preferred Stockholders shall not have any voting rights at a general meeting of shareholders; provided, however, that if an agenda with respect to the receipt of the Preferred Dividends is not presented at an ordinary general meeting of shareholders, Preferred Stockholders shall have voting rights during the period from such general meeting, or if an agenda with respect to the receipt of the Preferred Dividends is rejected at an ordinary general meeting, from the closing time of such general meeting, up until a resolution is passed to receive the Preferred Dividends.

15. Consolidation or split of shares, and rights to subscribe for new shares, etc:

Except as otherwise provided for by law or regulation, no consolidation or split of shares of Preferred Stock shall be made. SMBC shall not allocate to Preferred Stockholders rights to subscribe for new shares or rights to subscribe for bonds with the share acquisition rights.

16. Order of priority

The Preferred Dividends, the Preferred Interim Dividends and liquidation distribution of residual assets in respect of the Preferred Stock will rank *pari passu* with those of the other preferred stocks issued by SMBC.

17. Each of the above items shall be applicable on the condition that necessary notification has been made and necessary approvals and authorizations under the various laws and regulations have become effective.

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<Reference>

1. Changes in aggregate number of shares outstanding before and after the issuance:

(1) Aggregate number of shares outstanding before the issuance (as of March 10, 2005):

Type of stock	Number of shares outstanding (shares)
Common Stock	55,212,947
Type 1 Preferred Stock	35,000
Type 2 Preferred Stock	100,000
Type 3 Preferred Stock	695,000
Total	56,042,947

(2) Aggregate number of shares to be increased through the issuance:

Type of stock	Number of shares to be increased (shares)
Type 6 Preferred Stock	70,001

(3) Aggregate number of shares outstanding after the issuance:

Type of stock	Number of shares outstanding (shares)
Common Stock	55,212,947
Type 1 Preferred Stock	35,000
Type 2 Preferred Stock	100,000
Type 3 Preferred Stock	695,000
Type 6 Preferred Stock	70,001
Total	56,112,948

2. Use of proceeds:

The Proceeds of the issuance are to be used for SMBC's general working capital.

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3. Outline of the company to which the Preferred Stock is to be allocated:

(as of March 10, 2005)

Company name:	SMFG
Head office address:	1-2, Yuraku-cho 1-Chome, Chiyoda-ku, Tokyo, Japan
Capital stock:	1,247,650,000,000 yen
Representative:	President and CEO, Yoshifumi Nishikawa
Aggregate number of shares outstanding	7,259,032.42 shares
Business description	Management and administration of banks and other companies which SMFG is permitted to hold as its subsidiaries under the Banking Law of Japan; and other businesses incidental to the above
Capital relationship with SMBC	SMBC's parent company (share ownership - 100%)

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