

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Notice regarding Commencement of Takeover Bid for NIF Ventures

TOKYO, August 10, 2005 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG,” Head Office: Chiyoda-ku, Tokyo; President: Teisuke Kitayama) and Sumitomo Mitsui Banking Corporation (“SMBC,” Head Office: Chiyoda-ku, Tokyo; President: Masayuki Oku) announce that SMBC has decided to conduct a takeover bid (the “TOB”) to acquire 70,613 shares (equivalent to 20.1% of the total outstanding shares of common stock) of NIF Ventures Co., Ltd. (“NIF Ventures,” Head Office: Chuo-ku, Tokyo; President: Shinichi Yamamura) in order to increase SMBC’s total holdings in NIF Ventures up to 132,528 shares (37.8%).

1. Purpose of TOB

SMBC Capital Co., Ltd. (“SMBC Capital,” Head Office: Chuo-ku, Tokyo; President: Michihiro Matsuda), a consolidated subsidiary of SMFG and SMBC, plans to merge with NIF Ventures, a consolidated subsidiary of Daiwa Securities Group Inc. (“Daiwa Securities Group,” Head Office: Chiyoda-ku, Tokyo; President and CEO: Shigeharu Suzuki), to form NIF SMBC Ventures Co., Ltd. (“NIF-SMBC”) on October 1, 2005. SMBC has agreed with related parties to own 40.0% of the total outstanding shares of NIF-SMBC, and SMBC will conduct the TOB to raise its ownership to that target percentage.

Daiwa Securities Group, the parent company of NIF Ventures, has agreed to offer some of its shares of NIF Ventures to SMBC in the TOB. Ultimately, the ownership of Daiwa Securities Group in NIF-SMBC is expected to be more than 40.0%.

As mentioned above, this TOB will be conducted only for the purposes of restructuring the capital structure of NIF-SMBC before the scheduled merger. NIF Ventures will therefore continue to be listed on the JASDAQ Securities Exchange Inc. (“JASDAQ”).

2. Outline of TOB

(1) Profile of NIF Ventures

- a Trade name: NIF Ventures Co., Ltd.
- b Principle business: Venture capital, buyout investment, fund establishment and management

c Established on: October 20, 1983

d Head office: 1-2-1, Kyobashi, Chuo-ku, Tokyo

e President: Shinichi Yamamura

f Capital: ¥ 16,267 million

(Note): The above figure is calculated by adding the additional capital as a result of the stock issuance subscribed for by SMBC on July 29, 2005, to the outstanding capital as of March 31, 2005.

g Major shareholders and percentage of ownership

Shareholders	Percentage of Ownership
Daiwa Securities Group Inc.	60.5%
Sumitomo Mitsui Banking Corporation	17.7%
Daiwa Institute of Research Ltd.	3.1%
Daiwa Asset Management Co., Ltd.	1.7%
Kissei Pharmaceutical Co., Ltd.	1.3%
Daiwa Securities SMBC Hong Kong Limited	0.5%
UBS (Luxembourg) SA	0.4%
Master Trust Bank of Japan, Ltd.	0.3%
NIF Ventures Employee Holdings	0.1%
Mitsui Sumitomo Insurance Co., Ltd.	0.1%

(Note): The above percentages are calculated based on the total number of outstanding shares, which are obtained by adding the additional number of shares as a result of the stock issuance subscribed for by SMBC on July 29, 2005, to the total number of outstanding shares as of March 31, 2005

h Recent financial results

Fiscal year ended	(Consolidated) (¥ Million)		
	March 2003	March 2004	March 2005
Net sales	11,500	15,636	12,778
Ordinary Profit	(3,124)	502	255
Net Income	(9,635)	554	(8,406)

i Relationship with SMBC

SMBC owns 61,915 shares (percentage of ownership: 17.7%) of NIF Ventures.

(2) Type of stock to be purchased:

Common stock

(3) Duration of TOB:

21 days, starting on Friday, August 12, 2005, and ending on Thursday, September 1, 2005

(4) TOB price:

¥191,190 per share

(5) Basis of TOB price calculation:

The TOB price is the average closing price of NIF Ventures' stock in ordinary transactions announced by JASDAQ over the one-month period ending August 9, 2005.

(6) Planned number of shares to be purchased:

70,613 shares

(Note): SMBC will not purchase any shares offered if the total number of shares offered is less than the planned number. SMBC will purchase the offered shares on a pro-rata basis if the number of total shares offered is more than the planned number.

(7) Change in ownership as a result of the TOB:

SMBC's ownership before the TOB: 61,915 shares (Percentage of ownership: 17.7%)

SMBC's ownership after the TOB: 132,528 shares (Percentage of ownership: 37.8%)

(Note): The above percentages of ownership are calculated based on 350,675 shares, which reflect the additional number of shares as a result of the stock issuance subscribed for by SMBC on July 29, 2005.

(8) Cost of purchase:

Approximately ¥ 13,500 million

(9) Public notification of start of the TOB:

Friday, August 12, 2005

(10) TOB agent:

Daiwa Securities SMBC Co., Ltd.

Daiwa Securities Co., Ltd. (sub-agent)

3. Agreement on TOB by NIF Ventures

NIF Ventures has agreed to the TOB.

4. Future Outlook

SMBC Capital and NIF Ventures will merge on October 1, 2005. The merged company will enhance their abilities to find new customers and support customers by utilizing the venture capital expertise accumulated by the two companies and tapping into the broad network and expertise of SMFG Group and Daiwa Securities Group. SMBC Capital and NIF Ventures aim to make the merged company the NO.1 venture capital firm in Asia.