

**Notice regarding Acquisition and Cancellation of Public Fund Preferred Stock**

Tokyo, September 1, 2006 --- Sumitomo Mitsui Financial Group, Inc. (SMFG, President: Teisuke Kitayama) hereby announces that SMFG's Board of Directors resolved at a meeting today to acquire and cancel its Type 2 preferred stock (aggregate amount of acquisition: approximately JPY 245.1 billion, which amounts to JPY 201.0 billion on an issue price basis) owned by the Resolution and Collection Corporation (RCC) as described below, and obtained an approval of the relevant authorities for the acquisition today.

The acquisition of the preferred stock is to be executed within SMFG's own stock acquisition limit approved at its annual general shareholders' meeting held in June 2006.

In addition, SMFG intends to cancel those shares of the preferred stock upon acquisition.

**PARTICULARS****Details of Acquisition and Cancellation****Type 2 Preferred Stock**

(1) Number of Shares to Be Acquired	: 67,000 shares
(2) Acquisition Price	: JPY 3,657,900 per share
(3) Total Amount of Acquisition	: JPY 245,079,300,000
(4) Acquire from	: RCC
(5) Acquisition Date (Scheduled)	: September 6, 2006

(REFERENCE) Summary of the public fund preferred stock to be acquired:

Type of Preferred Stock	Type 2 Preferred Stock
Original Date of Issue	March 31, 1999
Number of Shares Issued	100,000 shares
Issue Price	JPY 3,000,000 per share
Aggregate Amount Issued	JPY 300 billion
Number of Shares Outstanding Immediately Prior to This Acquisition	67,000 shares
Aggregate Amount Outstanding Immediately Prior to This Acquisition	JPY 201 billion

Summary of the public fund preferred stock other than the above:

Type of Preferred Stock	Type 3 Preferred Stock
Original Date of Issue	March 31, 1999
Number of Shares Issued	800,000 shares
Issue Price	JPY 1,000,000 per share
Aggregate Amount Issued	JPY 800 billion
Number of Shares Outstanding as of the Date hereof	695,000 shares
Aggregate Amount Outstanding as of the Date hereof	JPY 695 billion

This "Notice regarding Acquisition and Cancellation of Public Fund Preferred Stock" is published in order to publicly announce the facts herein described, not to solicit anyone into making any investment in or outside of Japan, nor for any other similar purposes.