

Notice Regarding Issuance of New Shares and Secondary Offering of Shares

TOKYO, January 6, 2010 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG”, President: Teisuke Kitayama) hereby announces that its board of directors has resolved matters relating to the issuance of new shares and the secondary offering of the shares, as set forth below.

As the global framework for more stringent regulatory capital requirements becomes clear, SMFG has decided to proactively establish a resilient capital base and a business portfolio that realizes steady growth, in order to provide a platform for sustainable growth in the new competitive environment.

The issuance of new shares is a part of this strategy. With an enhanced capital base and by further promoting growth business areas including business focused on the high-growth Asia region and Nikko Cordial’s wholesale securities business, SMFG intends to promote mid- to long-term shareholder value.

1. Issuance of New Shares by way of Offering

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| (1) Class and Number of Shares to be Offered | 340,000,000 shares of common stock of SMFG |
| (2) Method of Determination of the Amount to be Paid | The amount to be paid will be determined on any day in the period from January 20, 2010 (Wed.) to January 22, 2010 (Fri.) (such date, the “Pricing Date”) in accordance with the method stated in Article 25 of the Regulations concerning Underwriting of Securities, etc. promulgated by the Japan Securities Dealers Association (“JSDA”). |
| (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased | The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of the additional paid-in capital to be increased shall be the amount obtainable by subtracting the said amount of stated capital to be increased from the said maximum amount of stated capital increase. |
| (4) Method of Offering | <p>(i) Japanese Public Offering:
The offering to be made in Japan shall be a public offering (the “Japanese Public Offering”), and several Japanese underwriters (the “Japanese Underwriters”) shall underwrite and purchase all of the new shares with respect to the Japanese Public Offering.</p> <p>(ii) International Offering:
In the offering to be made mainly in the United States and Europe (with the offering in the United States restricted to sales to Qualified Institutional Buyers under Rule 144A of the U. S. Securities Act of 1933) (the “International Offering”), the aggregate number of shares shall be severally and not jointly purchased by several international managers (the “International Managers”, and collectively with the Japanese Underwriters, the “Underwriters”). SMFG shall also grant the International Managers the option to purchase additional newly issued shares of common stock.</p> <p>With regard to the number of shares to be offered in (1) above, the number of shares to be issued is planned to be 160,000,000 shares for the Japanese Public Offering and 180,000,000 shares for the International Offering (154,000,000 shares to be purchased by the International Managers initially and 26,000,000 additional shares to be purchased upon exercise of the option in (4)(ii), above). However, the final breakdown shall be determined on the Pricing Date by taking into account market demand and other conditions.</p> <p>The offer price with regard to each of the Japanese Public Offering and the International Offering shall be determined in accordance with the method stated in Article 25 of the Regulations concerning Underwriting of Securities, etc. of the JSDA, on the Pricing Date based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares on the First Section of the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by 0.90-1.00 (with any fraction less than one yen being rounded down), taking into account market demand</p> |

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of publicly announcing that SMFG has resolved matters relating to the issuance of its new shares and the secondary offering of its shares, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. Investors should carefully review a prospectus and supplements or amendments thereto (if any) prepared by SMFG prior to making any investment decisions. This press release is not an offer of securities for sale in the United States. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

and other conditions.

The Joint Global Coordinators for the Japanese Public Offering, the International Offering as well as the offering mentioned below in “2. Secondary Offering of Shares (Offering by way of Over-Allotment)” shall be one of the Japanese underwriters and one of the international managers.

The Joint Bookrunners and Joint Lead Managers for the Japanese Public Offering shall be four of the Japanese Underwriters and the Joint Bookrunners and Joint Lead Managers for the International Offering shall be three of the International Underwriters.

- (5) Considerations for Underwriters SMFG shall not pay any underwriting commissions to the Underwriters of the Japanese Public Offering and the International Offering in (i) and (ii) above, although the aggregate amount of the difference between (a) the offer price in each offering and (b) the amount to be paid to SMFG by the Underwriters shall constitute proceeds to the Underwriters.
- (6) Subscription Period (in Japanese Public Offering) The subscription period shall be from the business day immediately following the Pricing Date to the second business day following the Pricing Date.
- (7) Payment Date The payment date shall be any day in the period from January 27, 2010 (Wed.) to January 29, 2010 (Fri.), provided, however, that such day shall be the fifth business day following the Pricing Date.
- (8) Subscription Unit 100 shares
- (9) The amount to be paid, the offer price, the amount of stated capital and additional paid-in capital to be increased, and any other matters necessary for the Japanese Public Offering and the International Offering in (i) and (ii) above, shall be determined at the discretion of a Representative Director of SMFG.
- (10) The Japanese Public Offering shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act of Japan.

2. Secondary Offering of Shares (Offering by way of Over-Allotment) (See “Reference” item 1., below)

- (1) Class and Number of Shares to be Offered 20,000,000 shares of common stock of SMFG.
The number of shares mentioned above is the maximum number of shares to be sold. The above number may decrease, or the Offering by way of Over-Allotment itself may be cancelled, depending on market demand and other conditions. Furthermore, the number of shares to be sold shall be determined on the Pricing Date, taking into account market demand and other conditions.
- (2) Seller One of the Joint Lead Managers for the Japanese Public Offering
- (3) Selling Price Undetermined (The selling price shall be determined on the Pricing Date; provided, however, that such selling price shall be the same as the offer price in (4) of “1. Issuance of New Shares by way of Offering” above.)
- (4) Method of Offering Taking into account market demand and other conditions for the Japanese Public Offering in “1. Issuance of New Shares by way of Offering”, the Seller will make a secondary offering of shares that it borrows from certain shareholder(s) of SMFG.
- (5) Subscription Period The subscription period shall be the same as the subscription period in (6) of “1. Issuance of New Shares by way of Offering” above.
- (6) Delivery Date The delivery date shall be the business day immediately following the payment date in (7) of “1. Issuance of New Shares by way of Offering” above.
- (7) Subscription Unit 100 shares
- (8) The selling price and any other matters necessary for the Offering by way of Over-Allotment shall be determined at the discretion of a Representative Director of SMFG.
- (9) The Offering by way of Over-Allotment shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act of Japan.
- (10) If the Japanese Public Offering in “1. Issuance of New Shares by way of Offering” above is cancelled, “2. Secondary Offering of Shares (Offering by way of Over-Allotment)” shall also be cancelled.

3. Issuance of New Shares by way of Third-Party Allotment (See “Reference” item 1., below)

- (1) Class and Number of Shares to be Offered 20,000,000 shares of common stock of SMFG

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- (2) Method of Determination of the Amount to be Paid The amount to be paid shall be the same as the amount to be paid in (2) of “1. Issuance of New Shares by way of Offering” above.
- (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of the additional paid-in capital to be increased shall be the amount obtainable by subtracting the said amount of stated capital to be increased from the said maximum amount of stated capital increase.
- (4) Subscription Period February 9, 2010 (Tue.)
- (5) Payment Date February 10, 2010 (Wed.)
- (6) Allottee The Seller referred to in (2) of “2. Secondary Offering of Shares (Offering by way of Over-Allotment)”
- (7) Subscription Unit 100 shares
- (8) Shares not subscribed within the subscription period in (4) above shall not be issued.
- (9) The amount to be paid, the amount of stated capital and additional paid-in capital to be increased and any other matters necessary for the Issuance of New Shares by way of Third-Party Allotment shall be determined at the discretion of a Representative Director of SMFG.
- (10) The Issuance of New Shares by way of Third-Party Allotment shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act of Japan.
- (11) If the Japanese Public Offering in “1. Issuance of New Shares by way of Offering” above is cancelled, “3. Issuance of New Shares by way of Third-Party Allotment” shall also be cancelled.

Reference

1. Number of Shares to be sold in the Offering by way of Over-Allotment and Number of New Shares to be Issued by way of Third-Party Allotment.

The Offering by way of Over-Allotment in “2. Secondary Offering of Shares (Offering by way of Over-Allotment)” above is a secondary offering in Japan to be made in conjunction with the Japanese Public Offering in “1. Issuance of New Shares by way of Offering” in an amount not to exceed 20,000,000 shares, that will be borrowed by one of the Joint Lead Managers for the Japanese Public Offering from certain shareholder(s) of SMFG (the “Borrowed Shares”), taking into account market demand for the offerings and other conditions. The number of shares in the Offering by way of Over-Allotment indicates the maximum number of shares to be sold, and depending on market demand and other conditions such number may decrease, or the Japanese Over-Allotment may be cancelled.

In connection with the Japanese Over-Allotment, the Board of Directors of SMFG has resolved, at the meeting held on January 6, 2010 (Wed.), that SMFG will issue 20,000,000 shares of its common stock by way of third-party allotment to that Joint Lead Manager referred to in the previous paragraph with the payment date for the set to be February 10, 2010 (Wed.), as mentioned in “3. Issuance of New Shares by way of Third-Party Allotment” above.

That Joint Lead Manager may conduct stabilizing transactions during the Subscription Period for the Japanese Public Offering and the offering by way of Over-Allotment (the “Subscription Period”). The shares of common stock of SMFG purchased through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Shares.

In addition, shares of common stock purchased through stabilization transactions, may, in whole or in part, be transferred to the International Managers for the purpose of partially settling the International Offering.

Furthermore, that Joint Lead Manager may also purchase shares of common stock of SMFG on the Tokyo Stock Exchange, Inc., up to the number of shares to be offered in the offering by way of Over-Allotment (the “Syndicate Cover Transactions”). Shares of SMFG common stock purchased through Syndicate Cover Transactions shall be used to return the Borrowed Shares. Such Syndicate Cover Transactions would be made during the period beginning on the date immediately following the last day of the Subscription Period and ending on February 5, 2010 (Fri.) (the “Syndicate Cover Transaction Period”). During the Syndicate Cover Transaction Period, that Joint Lead Manager at its discretion may not conduct any Syndicate Cover Transactions or may terminate any Syndicate Cover Transactions before the number of shares purchased reaches the number of shares offered in the Offering by way of Over-Allotment.

That Joint Lead Manager plans to accept the allotment under the Issuance of New Shares by way of Third-Party Allotment of an equivalent number of shares of common stock of SMFG obtained by deducting (a) the number of shares purchased through stabilization transactions and Syndicate Cover Transactions that are to be used to return the Borrowed Shares, from (b) the number of shares to be offered in the Japanese Over-Allotment.

Accordingly, all or a part of the shares to be issued under the Issuance of New Shares by way of Third-Party Allotment may not be subscribed for, which may result in a decrease in the maximum number of shares planned to be issued

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under the Issuance of New Shares by way of Third-Party Allotment, or in the cancellation of the entire issuance due to forfeiture.

The above transaction shall be made by that Joint Lead Manager in consultation with other two Joint Lead Managers for the Japanese Offering.

2. Change in the number of issued shares as a result of this Offering of New Shares and Issuance of New Shares by way of Third-Party Allotment

(1) Total number of issued shares at present (as of November 30, 2009):	Common Stock	1,017,711,777 shares
	Type 4 Preferred Stock	33,400 shares
	Type 6 Preferred Stock	70,001 shares
	Total:	1,017,815,178 shares
(2) Increase in number of shares by way of offering of new shares:	Common Stock	340,000,000 shares (Note 1)
(3) Total number of issued shares after the offering of new shares:	Common Stock	1,357,711,777 shares (Note 1)
	Type 4 Preferred Stock	33,400 shares
	Type 6 Preferred Stock	70,001 shares
	Total:	1,357,815,178 shares (Note 1)
(4) Increase in number of shares by way of third-party allotment:	Common Stock	20,000,000 shares (Note 2)
(5) Total number of issued shares after the third-party allotment:	Common Stock	1,377,711,777 shares (Note 2)
	Type 4 Preferred Stock	33,400 shares
	Type 6 Preferred Stock	70,001 shares
	Total:	1,377,815,178 shares (Note 2)

- Notes:
1. These figures are based on the assumption that the International Managers exercise all of the options set forth in (4)(ii) of “1. Issuance of New Shares by way of Offering” above.
 2. These figures are based on the assumption that the new shares to be issued in “3. Issuance of New Shares by way of Third-Party Allotment” are all subscribed by the Allottee described therein and issued.
 3. As a result of the offering of new shares and the third party allotment, SMFG’s common stock will increase by a maximum of 360,000,000 shares, which is equivalent to 35.5% of SMFG’s November 30, 2009 total issued shares of common stock excluding treasury shares.
 4. The total number of issued shares, as mentioned below in “4. Other matters (2)”, may be increased by exercises of stock options and/or preferred stock conversion rights.

3. Use of proceeds

- (1) Use of proceeds to be raised this time
Proceeds from the Japanese Public Offering, the International Offering and the Third-Party Allotment estimated to be up to JPY 888,968,000,000 are planned to be used to subscribe for shares of common stock to be issued by Sumitomo Mitsui Banking Corporation (“SMBC”), a wholly owned subsidiary of SMFG.
- (2) Change in the use of proceeds raised last time
Not applicable
- (3) Expected impact on business results
SMFG believes the proceeds will fortify the future growth through a strengthening of its capital base.

4. Other matters

- (1) Designation of party to receive allocation

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Not applicable.

(2) Information on dilutive shares

SMBC resolved by special resolution at its first annual general shareholders' meeting held on June 27, 2002 to issue 1,620 stock acquisition rights as stock options pursuant to the provisions of Paragraphs 20 and 21 of Section 280 of the former Commercial Code of Japan, as amended in 2001. In order to preserve the interests of the holders of these stock options, SMFG resolved at a Board of Directors meeting held on August 29, 2002 that SMFG would succeed to such 1,620 stock options in connection with the share transfer executed by SMFG. SMFG's succession to the 1,620 stock options was approved at the first meeting of SMBC's Type 1 Preferred Stockholders, the second meeting of SMBC's Type 1 Preferred Stockholders, and a meeting of SMBC's Type 5 Preferred Stockholders held on September 26, 2002, as well as the an extraordinary general shareholders meeting (which meeting is also a class shareholders' meeting with respect to common stock) held on September 27, 2002. The ratio of (a) the remaining number of shares to be issued upon exercise of stock options as set forth below to (b) the total number of issued shares after the Offering of new shares and the Issuance of New Shares by way of Third-Party Allotment (See Note 1. and 2. of "Reference" item 2. above) excluding treasury shares. is expected to be a maximum of 0.01%.

(as of November 30, 2009)

Resolution of the Board of Directors	June 27, 2002
Number of stock options (number outstanding)	1,081 stock options
Type of shares to be issued upon exercise of the stock options	Common Stock
Number of shares to be issued upon exercise of the stock options	108,100 shares
Amount to be paid upon exercise	JPY 6,696 per share
Exercise period	From June 28, 2004 though June 27, 2012
Issue price upon exercise of stock option and amount of stated capital to be increased	Issue Price : JPY 6,696 per share Amount of Stated Capital to be Increased: JPY 3,348 per share
Exercise terms of stock options	(1) Grantees of the stock options must be officers or directors of the SMFG or SMBC at the time of exercise of the stock option rights; provided, however, that holders may exercise their rights for 5 years after termination of officer/director status if such termination was due to the end of their term, retirement, or for any other reason the Board of Directors of SMFG deems reasonable. (2) The heir of a deceased holder may exercise the rights of such deceased holder.
Matters concerning transfer of stock options	Transfer of stock options requires a resolution of the Board of Directors of SMFG

As noted in (1) of "Reference" item 2. above, SMFG has issued Type 4 Preferred Stock and Type 6 Preferred Stock, with the Type 4 Preferred Stock having acquisition rights making them convertible into shares of common stock. Assuming that the acquisition rights for each of the issued shares of Type 4 Preferred Stock as of November 30, 2009 had been exercised at the conversion price in effect on November 30, 2009, the total number of shares of common stock upon exercise would be 31,440,000 shares. This amount equals 2.29% of the total number of issued shares of common stock after Issuance of New Shares and Third-Party Allotment (See Note 1. and 2. of "Reference" item 2. above) excluding treasury shares.

(3) Information on Past Equity Financings, etc.

(i) Equity financings within past three years

Date	Amount of Stated Capital to be increased	Stated Capital after the offering of new shares	Additional Paid-in Capital after the offering of new shares	Note
June 22, 2009	JPY 413,695 million	JPY 1,834,572 million	JPY 1,056,050 million	Note 1
July 27, 2009	JPY 16,817 million	JPY 1,851,389 million	JPY 1,072,868 million	Note 2

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- Notes : 1. By way of Public Offering of shares of common stock
2. By way of Third-Party Allotment of common stock

(ii) Change in share prices for past three fiscal years and at the most recent time point
(in JPY, other than the price/earnings ratio)

	Fiscal year ended March 2007	Fiscal year ended March 2008	Fiscal year ended March 2009	Fiscal year ending March 2010
Opening	1,320,000	1,070,000	670,000	3,530
High	1,390,000	1,210,000	964,000 □4,250	4,520
Low	1,010,000	633,000	268,500 □2,585	2,591
Closing	1,070,000	656,000	3,410	2,653
Price/earnings ratio (consolidated basis)	18.74 times	11.06 times	—	—

- Notes: 1. Share prices for the fiscal year ending March 2010 are shown as of January 5, 2010.
2. Prices indicated above are the trading prices on the First Section of the Tokyo Stock Exchange, Inc.
3. SMFG conducted a 100-for-1 stock split effective January 4, 2009, and the mark “□” represents ex-rights share prices after taking account the stock split.
4. Price/earnings ratio is a fraction, the numerator of which is the share price (closing price) as at the end of each fiscal year; and the denominator of which is the current net income per share for the relevant fiscal year. As we recorded a net loss for the fiscal year ended March 31, 2009, the price to earnings ratio is not provided for that period. In addition, the price/earning ratio for the fiscal year ending March 2010 has yet to be confirmed and thus is not indicated in the above table.

(4) Lock-up Agreement

SMFG has agreed, for a period beginning the pricing date of the Japanese Public Offering, Offering by way of Over-allotment and International Offering and ending 180 days after the Payment Date of these offerings, not to, without the prior written consent of the Joint Global Coordinators, issue, offer or sell any of its common stock or any other class of its capital stock or any securities convertible into its common stock or any other class of its capital stock or enter into certain other transactions (subject to the following exceptions: issuance of shares in connection with the Japanese Public Offering, International Offering and Third-Party Allotment, share splits, dividends paid in shares, corporate reorganization and issuance of common shares in connection with the exercise of conversion rights of preferred shares, issuance of warrants and other rights as stock options and the issuance of common shares through the exercise of those rights, and the exchange of our shares in conjunction with the exercise of rights to purchase enough shares to constitute one unit of 100 shares). Following this lock-up period, SMFG will be free to undertake the actions listed above, but doing so may affect the trading price of shares of its stock. Moreover, the Joint Global Coordinators, if their discretion, have the right to jointly decide to partially or fully remove the lock-up or to reduce the length of the lock-up period.

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