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(Translation)

Securities Code 8316

June 11, 2010

To Those Shareholders with Voting Rights

Teisuke Kitayama  
President  
Sumitomo Mitsui Financial Group, Inc.  
1-2, Yurakucho 1-chome, Chiyoda-ku,  
Tokyo, Japan

## NOTICE OF CONVOCATION OF THE 8<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 8<sup>th</sup> Ordinary General Meeting of Shareholders of Sumitomo Mitsui Financial Group, Inc. (the "Company"), which will be held on Tuesday, June 29, 2010, at 10:00 a.m. at "Goshiki" (reception desk: 2F) in Grand Prince Hotel Akasaka (formerly Akasaka Prince Hotel) at 1-2, Kioi-cho, Chiyoda-ku, Tokyo (Please make sure to attend at the right place, as the venue of the meeting is different from that of the last meeting).

If you are unable to attend the meeting, you can exercise your voting rights by mail or via the Internet. Please review the "Reference Documents for the General Meeting of Shareholders" and exercise your voting rights by following the instructions on the next page.

### Agenda of the Meeting:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the 8<sup>th</sup> Fiscal Year (from April 1, 2009 to March 31, 2010) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
  2. Non-Consolidated Financial Statements for the 8<sup>th</sup> Fiscal Year (from April 1, 2009 to March 31, 2010)

### Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Partial Amendments to the Articles of Incorporation  
**Proposal No. 3:** Election of Six Directors  
**Proposal No. 4:** Granting of Retirement Benefits to One Resigning Director  
**Proposal No. 5:** Final Payment of Retirement Benefits to Directors and Corporate Auditors in Conjunction with the Abolishment of the Retirement Benefits Program for Directors and Corporate Auditors, and Determination of the Amount of Compensation relevant to and the Specific Conditions of Stock Acquisition Rights as Stock Options Offered to Directors and Corporate Auditors

The Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, Copies of the Accounting Auditor's reports, and Copy of the Board of Corporate Auditors' report to be provided to shareholders upon notice of the Ordinary General Meeting of Shareholders are as stated in the attached "Business Report for the 8<sup>th</sup> Fiscal Year."

With regard to proposal No.2, this meeting shall also be the General Meeting of Classified Shareholders for common stock.

For those attending, please present the enclosed **Attendance Sheet** at the reception desk without detaching the Voting Rights Exercise Form on arrival at the meeting.

If the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements are amended, the amended items will be announced on our Internet website (<http://www.smfg.co.jp>).

## **【Guidance on the Exercise of Voting Rights by Mail or via the Internet】**

### 1. Exercise of Voting Rights by Mail

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and then send it back so that it reaches our share register agent no later than 5:10 p.m. on Monday, June 28, 2010.

Please use the enclosed registration security sticker.

### 2. Exercise of Voting Rights via the Internet

(1) Please access the voting website (<http://www.webdk.net>) via a PC or a mobile phone using the login ID and temporary password printed on the enclosed Voting Rights Exercise Form. Please indicate your approval or disapproval for each proposal no later than 5:10 p.m. on Monday, June 28, 2010, following the instructions on the screen.

If you are voting via a mobile phone, the voting website may not be available depending on the type of the mobile phone to ensure the security of your data transmission. For further information, please call the phone number below.

(2) If you vote more than once via the Internet, we will only accept the last vote as valid.

(3) If you vote both by mail and via the Internet, we will only accept the vote via the Internet as valid.

(4) The access fee to internet service providers, communications fee to communications carriers and other fees for the usage of the website for voting shall be borne by shareholders.

#### **Inquiries regarding Exercise of Voting Rights via the Internet**

The Sumitomo Trust and Banking Company, Limited  
Stock Transfer Agency Department  
Phone: 0120-186-417 (toll free within Japan)

**NOTE: The above voting website is available in Japanese only.**

## **【The Electronic Voting Platform for Institutional Investors】**

The Electronic Voting Platform for Institutional Investors operated by ICJ, Inc. is available for institutional investors that have applied to use such platform in advance.

## Reference Documents for the General Meeting of Shareholders

### Proposals, Reasons and References

#### Proposal No. 1: Appropriation of Surplus

In comprehensive view of business results for the fiscal year, while we continuously consider the accumulation of internal reserves of total Group companies based on the economic and financial climates forecasted for the future, we propose the distribution of dividend at the end of the fiscal year as described below in order to return earnings to shareholders.

It should be noted that we do not propose any other appropriation of surplus.

(1) Type of dividend property

Money

(2) Matters related to the allocation of dividend property and the total amount to be distributed

Common stock	¥55 per share	Total ¥77,567,903,875
Type 6 Preferred stock	¥44,250 per share	Total ¥3,097,544,250

With regard to common stock, as we have already paid an interim dividend of ¥45 per share, the annual dividend will be ¥100 per share, an increase of ¥10 per share from the previous fiscal year.

We will pay the prescribed amount for type 6 preferred stock.

(3) Effective date of distribution of surplus

June 29, 2010

**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

Partial amendments to the Articles of Incorporation are proposed as stated in the following “Comparison Table of Existing Articles of Incorporation and Proposed Amendments” including the provisions regarding the increase in the total number of authorized shares and the total number of authorized ordinary shares of the Company.

Reasons for the amendment are as follows:

1. In order to maintain competitiveness and achieve sustainable growth in the midst of the global trend toward enhanced international regulations on the capital adequacy ratio of banks, the Company strengthened its capital position during the fiscal year by means of capital increase through public offering of ordinary shares, etc. As a result, the Company currently has a very limited availability for issuance of additional ordinary shares, which is approximately eighty six million (86,000,000) shares (the ratio to the total number of authorized ordinary shares under the existing Articles of Incorporation of the Company is about 5.7%). The Company believes that achieving financial flexibility and soundness to further strengthen growth business areas will contribute in the medium to long-term to enhancement of the corporate value, and that the total number of authorized shares and the total number of authorized ordinary shares of the Company are to be increased. It should be noted that these increases in the total number of authorized shares and the total number of authorized ordinary shares are not intended to adopt any defensive measure against hostile takeovers.

In addition, as a result of the February 2010 retirement of the whole of type 4 preference shares issued, the provisions regarding the type 4 preference shares that have become unnecessary are to be deleted from the Articles of Incorporation.

For these reasons, amendment of Articles 6, 7, 15, 21 and 22 of the existing Articles of Incorporation is proposed.

2. Article 13 of the existing Articles of Incorporation will be amended to delete the provision regarding the register of lost share certificates that has become unnecessary, as a result of the expiry of the one year period commencing on the day (January 6, 2009) immediately following the date of enforcement of the “Law for Partial Amendment of the Laws related to Transfer of Bonds, etc., to Streamline Settlement with respect to Transactions of Stock, etc.” (Law No. 88, June 9, 2004)

In addition, the Terms and Conditions of Issuance of Type 4 Preference Shares will also be abolished as a result of the amendments above.

Comparison Table of Existing Articles of Incorporation and Proposed Amendments

(Underlined parts are amended.)

Existing Articles of Incorporation	Proposed Amendments
(Total Number of Authorized Shares) Article 6. The total number of shares the Corporation is authorized to issue shall be <u>one billion five hundred million six hundred eighty four thousand one hundred one</u> (1,500,684,101) shares.	(Total Number of Authorized Shares) Article 6. The total number of shares the Corporation is authorized to issue shall be <u>three billion six hundred thirty four thousand one</u> (3,000,634,001) shares.

Existing Articles of Incorporation	Proposed Amendments
<p>(Total Number of Authorized Shares of Each Particular Class of Shares)  Article 7. The total number of shares the Corporation is authorized to issue shall consist of <u>one billion five hundred million (1,500,000,000) ordinary shares, fifty thousand one hundred (50,100) type 4 preference shares</u>, one hundred sixty seven thousand (167,000) type 5 preference shares, seventy thousand one (70,001) type 6 preference shares, one hundred sixty seven thousand (167,000) type 7 preference shares, one hundred fifteen thousand (115,000) type 8 preference shares and one hundred fifteen thousand (115,000) type 9 preference shares.</p>	<p>(Total Number of Authorized Shares of Each Particular Class of Shares)  Article 7. The total number of shares the Corporation is authorized to issue shall consist of <u>three billion (3,000,000,000) ordinary shares</u>, one hundred sixty seven thousand (167,000) type 5 preference shares, seventy thousand one (70,001) type 6 preference shares, one hundred sixty seven thousand (167,000) type 7 preference shares, one hundred fifteen thousand (115,000) type 8 preference shares and one hundred fifteen thousand (115,000) type 9 preference shares.</p>
<p>(Share Register Agent)  Article 13.  1. The Corporation shall have a share register agent.  2. The share register agent and its place of business shall be decided by resolution of the board of directors and a public notice thereof shall be given.  3. Preparation, keeping and other administrative matters of, or relating to, the register of shareholders, the register of share purchase warrants <u>and the register of lost share certificates</u> of the Corporation shall be entrusted to the share register agent, and the Corporation shall not handle any such matters.</p>	<p>(Share Register Agent)  Article 13.  1. The Corporation shall have a share register agent.  2. The share register agent and its place of business shall be decided by resolution of the board of directors and a public notice thereof shall be given.  3. Preparation, keeping and other administrative matters of, or relating to, the register of shareholders <u>and</u> the register of share purchase warrants of the Corporation shall be entrusted to the share register agent, and the Corporation shall not handle any such matters.</p>
<p>(Preferred Dividends)  Article 15.  1. In the event that the Corporation distributes dividends of surplus pursuant to Article 44 hereof, the Corporation shall distributes to the holders of preference shares (hereinafter referred to as the “Preference Shareholders”) or the registered pledgees of preference shares (hereinafter referred to as the “Registered Preference Share Pledgees”), in preference to the holders of ordinary shares (hereinafter referred to as the “Ordinary Shareholders”) or the registered pledgees of ordinary shares (hereinafter referred to as the “Registered Ordinary Share Pledgees”), cash dividends of surplus in the amounts set forth below (such cash dividends being hereinafter referred to as the “Preferred Dividends”), respectively; provided, however, that if Preferred Interim Dividends stipulated in Article 16 hereof were paid during the relevant fiscal year, the amount of such Preferred Interim Dividends shall be subtracted from the amount of Preferred Dividends.</p>	<p>(Preferred Dividends)  Article 15.  1. In the event that the Corporation distributes dividends of surplus pursuant to Article 44 hereof, the Corporation shall distributes to the holders of preference shares (hereinafter referred to as the “Preference Shareholders”) or the registered pledgees of preference shares (hereinafter referred to as the “Registered Preference Share Pledgees”), in preference to the holders of ordinary shares (hereinafter referred to as the “Ordinary Shareholders”) or the registered pledgees of ordinary shares (hereinafter referred to as the “Registered Ordinary Share Pledgees”), cash dividends of surplus in the amounts set forth below (such cash dividends being hereinafter referred to as the “Preferred Dividends”), respectively; provided, however, that if Preferred Interim Dividends stipulated in Article 16 hereof were paid during the relevant fiscal year, the amount of such Preferred Interim Dividends shall be subtracted from the amount of Preferred Dividends.</p>

Existing Articles of Incorporation	Proposed Amendments
<p>The type 4 preference shares:  <u>amount not exceeding 200,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</u></p> <p>The type 5 preference shares:  amount not exceeding 200,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>The type 6 preference shares:  amount not exceeding 300,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>The type 7 preference shares:  amount not exceeding 200,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>The type 8 preference shares:  amount not exceeding 300,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>The type 9 preference shares:  amount not exceeding 300,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>2. If the amount of cash dividends of surplus paid to the Preference Shareholders or the Registered Preference Share Pledges is less than the amount of the Preferred Dividends in any fiscal year, such deficiency shall not be carried over for accumulation to the subsequent fiscal years.</p> <p>3. The Corporation shall not pay dividends in excess of the amount of the Preferred Dividends to the Preference Shareholders or the Registered Preference Share Pledges.</p> <p><u>(Request for Acquisition of Shares)</u>  <u>Article 21.</u>  1. <u>A Preference Shareholder of the type 4 preference shares may request the Corporation to acquire his or her preference shares in exchange for ordinary shares. The period during which the acquisition may be requested (hereinafter referred to as the “Acquisition Request Period”) and the terms and conditions of acquisition shall be reasonably determined by resolution of the board of directors by the time of the first issuance of the relevant preference shares.</u></p>	<p>The type 5 preference shares:  amount not exceeding 200,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>The type 6 preference shares:  amount not exceeding 300,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>The type 7 preference shares:  amount not exceeding 200,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>The type 8 preference shares:  amount not exceeding 300,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>The type 9 preference shares:  amount not exceeding 300,000 yen per share and determined by resolution of the board of directors relating to the issuance of the shares</p> <p>2. If the amount of cash dividends of surplus paid to the Preference Shareholders or the Registered Preference Share Pledges is less than the amount of the Preferred Dividends in any fiscal year, such deficiency shall not be carried over for accumulation to the subsequent fiscal years.</p> <p>3. The Corporation shall not pay dividends in excess of the amount of the Preferred Dividends to the Preference Shareholders or the Registered Preference Share Pledges.</p> <p>(Deleted)</p>

Existing Articles of Incorporation	Proposed Amendments
<p>2. A Preference Shareholder of the type 5 preference shares or the type 7 preference shares may request the Corporation to acquire his or her preference shares in exchange for ordinary shares. <u>The Acquisition Request Period</u> in such case shall be reasonably determined by a resolution of the board of directors by the time of the first issuance of the relevant preference shares, provided that the last day of such Acquisition Request Period shall fall within twenty five (25) years after the date of issuance of the relevant preference shares. The number of ordinary shares to be delivered in exchange for acquisition of the relevant preference shares shall be obtained by dividing the amount of the subscription price of the relevant preference shares by the amount fixed in a manner as reasonably determined by a resolution of the board of directors by the time of the first issuance of the relevant preference shares (hereinafter referred to as the “Acquisition Rights Exercise Price”). Provided, however, that the initial Acquisition Rights Exercise Price shall be determined by reference to the amount regarded to be appropriate in light of market price, etc., and provided further that any fraction of less than one share arising as a result of calculation of the number of ordinary shares to be delivered pursuant to the foregoing shall be treated in accordance with the provisions of Article 167 of the Corporation Law. Other terms and conditions of acquisition shall be reasonably determined by a resolution of the board of directors by the time of the first issuance of the relevant preference shares.</p>	<p><u>(Request for Acquisition of Shares)</u>  <u>Article 21.</u> A Preference Shareholder of the type 5 preference shares or the type 7 preference shares may request the Corporation to acquire his or her preference shares in exchange for ordinary shares. <u>The period during which the acquisition may be requested (hereinafter referred to as the “Acquisition Request Period”)</u> in such case shall be reasonably determined by a resolution of the board of directors by the time of the first issuance of the relevant preference shares, provided that the last day of such Acquisition Request Period shall fall within twenty five (25) years after the date of issuance of the relevant preference shares. The number of ordinary shares to be delivered in exchange for acquisition of the relevant preference shares shall be obtained by dividing the amount of the subscription price of the relevant preference shares by the amount fixed in a manner as reasonably determined by a resolution of the board of directors by the time of the first issuance of the relevant preference shares (hereinafter referred to as the “Acquisition Rights Exercise Price”). Provided, however, that the initial Acquisition Rights Exercise Price shall be determined by reference to the amount regarded to be appropriate in light of market price, etc., and provided further that any fraction of less than one share arising as a result of calculation of the number of ordinary shares to be delivered pursuant to the foregoing shall be treated in accordance with the provisions of Article 167 of the Corporation Law. Other terms and conditions of acquisition shall be reasonably determined by a resolution of the board of directors by the time of the first issuance of the relevant preference shares.</p>

Existing Articles of Incorporation	Proposed Amendments
<p>(Mandatory Acquisition) Article 22.</p> <p>1. Any <u>type 4 preference share</u>, type 5 preference share or type 7 preference share with respect to which acquisition has not been requested during the Acquisition Request Period shall be mandatorily acquired by the Corporation, as of the date immediately following the last day of the Acquisition Request Period (hereinafter referred to as the “Mandatory Acquisition Date”), in exchange for such number of ordinary shares as is obtained by dividing the amount of subscription price per share paid for the preference share by the average of the daily closing prices (including quoted prices (kehai hyoji) if no closing prices are reported) per share of the Corporation's ordinary shares by regular transactions at the Tokyo Stock Exchange for the thirty (30) trading days (disregarding trading days on which no such closing prices are available) commencing on the day forty-five (45) trading days prior to the Mandatory Acquisition Date. The average price shall be calculated in yen and rounded down to one decimal place and thereafter rounded to the nearest yen (0.5 being rounded upwards). Provided, however, that if such average price is less than the amount not less than five thousand yen (¥5,000) determined by resolution of the board of directors relating to the issuance of the relevant preference shares, then a preference share shall be acquired by the Corporation in exchange for such number of ordinary shares as is obtained by dividing the amount of subscription price per share paid for the preference share by such amount determined by such resolution.</p> <p>2. Any fraction of less than one share arising as a result of calculation of the number of ordinary shares pursuant to the foregoing Paragraph shall be treated in accordance with the provisions of Article 234 of the Corporation Law.</p>	<p>(Mandatory Acquisition) Article 22.</p> <p>1. Any type 5 preference share or type 7 preference share with respect to which acquisition has not been requested during the Acquisition Request Period shall be mandatorily acquired by the Corporation, as of the date immediately following the last day of the Acquisition Request Period (hereinafter referred to as the “Mandatory Acquisition Date”), in exchange for such number of ordinary shares as is obtained by dividing the amount of subscription price per share paid for the preference share by the average of the daily closing prices (including quoted prices (kehai hyoji) if no closing prices are reported) per share of the Corporation's ordinary shares by regular transactions at the Tokyo Stock Exchange for the thirty (30) trading days (disregarding trading days on which no such closing prices are available) commencing on the day forty-five (45) trading days prior to the Mandatory Acquisition Date. The average price shall be calculated in yen and rounded down to one decimal place and thereafter rounded to the nearest yen (0.5 being rounded upwards). Provided, however, that if such average price is less than the amount not less than five thousand yen (¥5,000) determined by resolution of the board of directors relating to the issuance of the relevant preference shares, then a preference share shall be acquired by the Corporation in exchange for such number of ordinary shares as is obtained by dividing the amount of subscription price per share paid for the preference share by such amount determined by such resolution.</p> <p>2. Any fraction of less than one share arising as a result of calculation of the number of ordinary shares pursuant to the foregoing Paragraph shall be treated in accordance with the provisions of Article 234 of the Corporation Law.</p>

**Proposal No. 3: Election of Six Directors**

Terms of office of three Directors, Messrs. Teisuke Kitayama, Junsuke Fujii and Yoshinori Yokoyama, will expire and one Director, Mr. Fumihiko Tanizawa, will resign at the conclusion of the meeting. Accordingly, taking this occasion, the election of the following six Directors is proposed.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Type and number of shares of the Company held
1	Teisuke Kitayama (October 26, 1946)	<p>April 1969    Joined Mitsui Bank  June 1997    Director of Sakura Bank  June 1999    Resigned as Director of Sakura Bank  June 1999    Executive Officer of Sakura Bank  April 2000    Managing Executive Officer of Sakura Bank  June 2000    Managing Director and Managing Executive  Officer of Sakura Bank  April 2001    Managing Director and Managing Executive  Officer of Sumitomo Mitsui Banking Corporation  (SMBC)  June 2003    Senior Managing Executive Officer of the  Company  Senior Managing Director and Senior Managing  Executive Officer of SMBC  April 2004    Deputy President of the Company  June 2004    Resigned as Director of SMBC  June 2004    Director and Deputy President of the Company  June 2005    Director and President of the Company (to  present)  Chairman of the Board of SMBC (to present)</p> <p>Significant concurrent positions:  Chairman of the Board of SMBC  Director of FUJIFILM Holdings Corporation  Corporate Auditor of Isetan Mitsukoshi Holdings  Ltd.</p>	4,200 (Common stock)
2	Wataru Ohara (August 17, 1952)	<p>April 1975    Joined Mitsui Bank  June 2002    Executive Officer of SMBC  April 2006    Managing Executive Officer of SMBC  April 2007    Managing Executive Officer of the Company  April 2008    Senior Managing Executive Officer of the  Company  Director and Senior Managing Executive Officer  of SMBC  April 2009    Deputy President of the Company (to present)  Director and Deputy President of SMBC  March 2010    Resigned as Director of SMBC  Responsibility:  Officer in charge of Audit Department</p>	2,400 (Common stock)

No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Type and number of shares of the Company held
3	Hideo Shimada (September 27, 1951)	<p>April 1975      Joined Sumitomo Bank  June 2002      Executive Officer of SMBC  April 2004      General Manager, IT Planning Department of the Company  April 2006      Managing Executive Officer of SMBC  April 2007      Managing Executive Officer of the Company  April 2008      Senior Managing Executive Officer of the Company  Director and Senior Managing Executive Officer of SMBC  April 2010      Deputy President of the Company (to present)  Director and Deputy President of SMBC (to present)</p> <p>Responsibility:  Officer in charge of IT Planning Department</p> <p>Significant concurrent positions:  Director and Deputy President of SMBC</p>	2,500 (Common stock)
4	Junsuke Fujii (December 22, 1952)	<p>April 1976      Joined Sumitomo Bank  December 2002      General Manager, Human Resources Department of the Company  June 2003      Executive Officer of SMBC  April 2006      Managing Executive Officer of SMBC  April 2008      Managing Executive Officer of the Company  June 2008      Director of the Company (to present)  April 2009      Director and Senior Managing Executive Officer of SMBC (to present)</p> <p>Responsibility:  Officer in charge of General Affairs Department and Human Resources Department</p> <p>Significant concurrent positions:  Director and Senior Managing Executive Officer of SMBC</p>	2,300 (Common stock)
5	Koichi Miyata (November 16, 1953)	<p>April 1976      Joined Mitsui Bank  June 2003      Executive Officer of SMBC  October 2006      Managing Executive Officer of SMBC  April 2009      Director and Senior Managing Executive Officer of SMBC (to present)  April 2010      Senior Managing Executive Officer of the Company (to present)</p> <p>Responsibility:  Officer in charge of Public Relations Department, Corporate Planning Department, Financial Accounting Department, Strategic Financial Planning Department and Corporate Risk Management Department</p> <p>Significant concurrent positions:  Director and Senior Managing Executive Officer of SMBC</p>	2,600 (Common stock)

No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Type and number of shares of the Company held
6	Yoshinori Yokoyama (September 16, 1942)	<p>April 1966      Joined MAYEKAWA ASSOCIATES, ARCHITECTS &amp; ENGINEERS</p> <p>September 1973      Joined Davis Brody &amp; Associates</p> <p>September 1975      Joined McKinsey &amp; Company, Inc.</p> <p>July 1987              Director (Senior Partner) of McKinsey &amp; Company, Inc.</p> <p>June 2002              Retired from McKinsey &amp; Company, Inc.</p> <p>June 2002              Director of ORIX Corporation (to present)</p> <p>April 2003              Corporate Auditor of Industrial Revitalization Corporation of Japan</p> <p>June 2006              Director of the Company (to present) Director of SMBC (to present)</p> <p>Significant concurrent positions: Director of SMBC Director of ORIX Corporation</p>	-

Notes: Mr. Yoshinori Yokoyama is a candidate for Outside Director.

1. Mr. Yoshinori Yokoyama has deep knowledge on corporate management. We have therefore judged that he will be appropriate as an Outside Director of the Company, and propose that he be elected.
2. Mr. Yoshinori Yokoyama has served as Director of the Company for a period of three years and eleven months since June 2006.
3. The Company entered an agreement with Mr. Yoshinori Yokoyama pursuant to Paragraph 1 of Article 427 of the Corporation Law to limit the liabilities under Paragraph 1 of Article 423 of the said Law. The maximum amount of the liability for damages under this liability limitation agreement is ¥10 million or the minimum amount of the liability for damages stipulated in Paragraph 1 of Article 427 of the Corporation Law, whichever is higher.

**Proposal No. 4: Granting of Retirement Benefits to One Resigning Director**

It is proposed that retirement benefits be granted to the Director Mr. Fumihiko Tanizawa, who will resign at the conclusion of the meeting, in consideration of his service to the Company, based on the internal rules on the retirement benefits for Directors and Corporate Auditors, with the approval of the shareholders. It is also proposed that the decisions as to the specific amounts of money, timing, and payment methods for the benefits to be paid be entrusted to the Board of Directors.

It should be noted that the internal rules on retirement benefits for Directors and Corporate Auditors are kept available for inspection by the shareholders at the Head Office.

The career of the resigning Director is summarized as follows.

Name	Career Summary	
Fumihiko Tanizawa	June 2009 April 2010	Senior Managing Director of the Company Director of the Company

**Proposal No. 5: Final Payment of Retirement Benefits to Directors and Corporate Auditors in Conjunction with the Abolishment of the Retirement Benefits Program for Directors and Corporate Auditors, and Determination of the Amount of Compensation relevant to and the Specific Conditions of Stock Acquisition Rights as Stock Options Offered to Directors and Corporate Auditors**

1. Final payment of retirement benefits to Directors and Corporate Auditors in conjunction with the abolishment of the retirement benefits Program for Directors and Corporate Auditors

As a result of the review of the system of compensation for Directors and Corporate Auditors implemented as part of the revision of the compensation plan for Directors and Corporate Auditors, the Board of Directors meeting held on May 14, 2010 resolved to abolish the retirement benefits program for Directors and Corporate Auditors at the conclusion of this General Meeting of Shareholders.

Accordingly, it is proposed that the final payment of the retirement benefits be made to the eight Directors and Corporate Auditors including the Directors Messrs. Masayuki Oku, Takeshi Kunibe, Satoru Nakanishi and the Directors who will be re-elected subject to the approval of proposal No. 3 above, namely Messrs. Teisuke Kitayama and Junsuke Fujii, and Corporate Auditors Messrs. Hiroki Nishio, Yoji Yamaguchi and Hideo Sawayama, in consideration of their services during their terms of office up to the conclusion of the meeting, based on the internal rules on retirement benefits for Directors and Corporate Auditors, with the approval of the shareholders.

It is also proposed that the payment of such benefits be made after the retirement of each Director and Corporate Auditor and that the decisions as to the specific amounts and payment methods for such benefits to be paid be entrusted to the Board of Directors as to the concerned Directors and to the consultation of Corporate Auditors as to the concerned Corporate Auditors.

It should be noted that there are no Outside Directors and Outside Corporate Auditors eligible for such benefits, and that the internal rules on retirement benefits for Directors and Corporate Auditors are kept available for inspection by the shareholders at the Head Office.

The career of each person to whom the above final payment will be made is summarized as follows.

Name	Career Summary
Masayuki Oku	December 2002 Senior Managing Director of the Company June 2003 Retired as Director of the Company June 2005 Chairman of the Board of the Company
Takeshi Kunibe	June 2007 Director of the Company
Satoru Nakanishi	June 2009 Director of the Company
Teisuke Kitayama	June 2004 Director and Deputy President of the Company June 2005 Director and President of the Company
Junsuke Fujii	June 2008 Director of the Company
Hiroki Nishio	June 2009 Corporate Auditor (full-time) of the Company
Yoji Yamaguchi	June 2008 Corporate Auditor (full-time) of the Company
Hideo Sawayama	June 2009 Corporate Auditor (full-time) of the Company

2. Determination of the amount of compensation relevant to and the specific conditions of stock acquisition rights as stock options offered to Directors and Corporate Auditors

The current maximum aggregate amount of compensation, etc. for Directors and Corporate Auditors was approved as no more than ¥480 million per year for Directors (¥30 million for Outside Directors) and ¥180 million per year for Corporate Auditors by resolution at the Company's 6<sup>th</sup> Ordinary General Meeting of Shareholders held on June 27, 2008. The Company hereby intends, in conjunction with the abolishment of the retirement benefits program for Directors and Corporate Auditors, to allocate stock acquisition rights as stock options to Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) on the conditions set forth below, as an incentive for Directors to further contribute to increases in the stock price and profits of the Company, while for Corporate Auditors to further contribute to the corporate value enhancement by their auditing and examination, through sharing with shareholders the benefits and risks of stock price fluctuations.

Thus, in overall consideration of the contributions made to the Company by Directors and Corporate Auditors and other factors, it is proposed to create, apart from the current annual limits of compensation, etc. for Directors and Corporate Auditors, additional limits of compensation ,etc. in connection with stock acquisition rights as stock options, that is no more than ¥200 million per year for Directors (excluding Outside Directors) and ¥80 million per year for Corporate Auditors (excluding Outside Corporate Auditors), respectively.

The proposed stock option is the "stock compensation-type stock option" entitling its holder to acquire shares upon the exercise of stock acquisition rights, at an exercise price of one yen per share. The Company believes that the conditions of the stock options are reasonable, for the reason that they were determined in overall consideration of the contributions made to the Company by Directors and Corporate Auditors and other factors.

Payment of consideration for the proposed stock acquisition rights as stock options is to be offset against the outstanding claim for compensation set forth above, in place of actual payment of cash consideration, at the fair price at the time of their allotment.

Currently we have nine Directors (including three Outside Directors) and six Corporate Auditors (including three Outside Corporate Auditors), while we will have eleven Directors (including three Outside Directors) on condition that proposal No.3 is approved as proposed and six Corporate Auditors (including three Outside Corporate Auditors) at the conclusion of this meeting if proposal No. 3.

## Schedule

Specific conditions of stock acquisition rights as stock options offered to Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) of the Company

(1) Class and number of shares to be issued upon exercise of stock acquisition rights

Class of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company.

The maximum number of shares to be issued upon exercise of stock acquisition rights allocated within one year after the date of Ordinary General Meeting of Shareholders in each fiscal year shall be 100,000 for Directors (excluding Outside Directors) while 40,000 for Corporate Auditors (excluding Outside Corporate Auditors). The number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as “Number of Shares Granted”) shall be 100. When Number of Shares Granted is adjusted, the maximum number of shares to be granted for each category, namely Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) shall be the Number of Shares Granted after adjustment multiplied by the maximum number of stock acquisition rights as set out in (2) below.

In case the Company carries out a share split (including gratis allotment of common stock of the Company; the same applies to following references to the share split) or share consolidation after the day on which this proposal is approved by the resolution at the Ordinary General Meeting of Shareholders (hereinafter referred to as the “Resolution Date”), the Number of Shares Granted shall be adjusted according to the following formula, with the resulting fractions of less than one share occurring upon such adjustment rounded down.

$$\begin{array}{l} \text{Number of Shares Granted} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of Shares Granted} \\ \text{before adjustment} \end{array} \times \begin{array}{l} \text{Ratio of share split} \\ \text{or share consolidation} \end{array}$$

In case the Company carries out a merger, demerger or the like that makes it necessary to adjust the Number of Shares Granted after the Resolution Date, the Company may make appropriate adjustment to the Number of Shares Granted within a reasonable range.

(2) Maximum number of stock acquisition rights

The maximum number of stock acquisition rights to be allocated to Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) within one year after the date of Ordinary General Meeting of Shareholders in each fiscal year is 1,000 and 400, respectively.

(3) Amount to be paid upon allocation of each stock acquisition right

Amount to be paid upon allocation of each stock acquisition right shall be decided by the Board of Directors, based on the fair price of a stock acquisition right as calculated using a fair calculation method such as the Black-Scholes model upon the allocation of stock acquisition rights.

(4) Value of assets to be contributed upon exercise of stock acquisition rights

The value of assets to be contributed upon exercise of stock acquisition rights shall be the exercise price of one yen per share granted upon exercise of each stock acquisition right, multiplied by the Number of Shares Granted.

(5) Exercise period of stock acquisition rights

Exercise period of stock acquisition rights shall be decided by the Board of Directors, but not exceeding 30 years from the date of allocation of stock acquisition rights.

(6) Restrictions on acquisition of stock acquisition rights by transfer

Any acquisition of stock acquisition rights by transfer shall be subject to the approval by resolution of the Board of Directors.

(7) Conditions for the exercise of stock acquisition rights

Conditions for the exercise of stock acquisition rights shall be decided by the Board of Directors. Such conditions include that those who qualify for the allocation of stock acquisition rights shall be entitled to exercise them as soon as they are relieved of their positions either as a Director, Corporate Auditor or Executive Officer of the Company and SMBC.

(Reference)

In the period after the conclusion of this meeting, the Company is scheduled to allocate stock acquisition rights equivalent to the stock acquisition rights as described above to Executive Officers of the Company, and to Directors (excluding Outside Directors), Corporate Auditors (excluding Outside Corporate Auditors) and Executive Officers of SMBC. The maximum number of such stock acquisition rights allocated within one year after the date of Ordinary General Meeting of Shareholders in each fiscal year shall be 5,650 in aggregate, and the maximum number of common stock of the Company granted upon exercise of such stock acquisition rights shall be 565,000 in aggregate.