

Notice regarding Establishment of Limit for Repurchasing Capital Stock

(Establishment of Limit for Repurchasing Capital Stock pursuant to
the Provisions of Article 210 of the Commercial Code of Japan)

TOKYO, May 24, 2005 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG”, President and CEO: Yoshifumi Nishikawa) hereby announces that, SMFG’s Board of Directors resolved at a meeting today to propose the establishment of a limit for repurchasing SMFG’s capital stock, pursuant to the provisions of Article 210 of the Commercial Code of Japan, at SMFG’s annual general shareholders’ meeting to be held June 29, 2005. This proposal is subject to the approval of each class of stockholders of SMFG, pursuant to the provisions of Article 222, paragraph 11 and Article 346 of the Commercial Code of Japan.

1. Purpose of establishment of limit for repurchasing capital stock

In order to have the flexibility to repay public funds in a manner suited to its business environment, SMFG will establish a limit for repurchasing its capital stock pursuant to the provisions of Article 210 of the Commercial Code of Japan. Actual repurchases will be subject to SMFG’s consideration of its financial situation and other factors, consistent with the intent of the Law Concerning Emergency Measures for Early Strengthening of the Functions of the Financial System (Early Strengthening Law).

2. Details of proposed limit

The following table shows the details of the proposed limit for repurchasing capital stock, including the type of stock and the maximum number of shares that may be repurchased per type, with an aggregate repurchase limit of JPY 300 billion. Of the following stock, Type 1, Type 2, and Type 3 Preferred Stock would be repurchased from the “Resolution and Collection Corporation.”

(Type of stock that may be repurchased)	(Number of shares that may be repurchased)		(Amount of repurchase)	
Common Stock	Upper limit	500,000 shares	Upper limit	JPY 300 billion
Type 1 Preferred Stock	Upper limit	35,000 shares	Upper limit	JPY 300 billion
Type 2 Preferred Stock	Upper limit	100,000 shares	Upper limit	JPY 300 billion
Type 3 Preferred Stock	Upper limit	695,000 shares	Upper limit	JPY 300 billion
Total	Aggregate upper limit	1,330,000 shares	Aggregate upper limit	JPY 300 billion

This “Notice regarding Establishment of Limit for Repurchasing Capital Stock (Establishment of Limit for Repurchasing Capital Stock pursuant to the Provisions of Article 210 of the Commercial Code of Japan)” 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.

The establishment of the repurchase limit is subject to a resolution of shareholders at SMFG's annual general shareholders' meeting scheduled on June 29, 2005 and approval required to be obtained from each class of stockholders. The Board resolved not to repurchase capital stock pursuant to the repurchase limit until August 1, 2005.

3. Number of shares held as treasury stock as of March 31, 2005

Number of outstanding common shares (excluding treasury stock)	: 5,869,288.52 shares
Number of common shares held as treasury stock	: 404,503.97 shares

(Reference)

In connection with SMFG's establishment of a limit for repurchasing its capital stock as discussed above, Sumitomo Mitsui Banking Corporation ("SMBC"), a consolidated subsidiary of SMFG, is expected to implement the following measures. The implementation of measure (1) will be conditional upon the effectiveness of measure (2).

(1) Establishment of a limit for repurchasing capital stock

SMBC will establish a limit (total amount of repurchase: JPY 300 billion) for repurchasing its capital stock (preferred stock) from SMFG.

(2) Reduction in "Capital reserve" (Transfer to "Other capital surplus")

In connection with measure (1), SMBC will reduce its "Capital reserve", a component of "Capital surplus", by JPY 344.9 billion, the amount in excess of "Capital reserve" over "Capital stock," and transfer such amount to "Other capital surplus", another component of "Capital surplus", in order to ensure greater flexibility and feasibility in undertaking its financial strategy. (The effective date of the reduction in capital reserve is expected to be in early August following the expiration of the creditor demurral period.)

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