



Sumitomo Mitsui Financial Group, Inc.

Sumitomo Mitsui Financial Group Announces
Revision of Earnings Forecasts of
a Consolidated Subsidiary (SAKURA KCS Corporation)

TOKYO, October 18, 2007 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG”) hereby announces that SAKURA KCS Corporation, a consolidated subsidiary of SMFG, has revised its earnings forecasts published on May 17, 2007 (see Appendix).

SAKURA KCS Corporation Announces
Revision of Earnings Forecasts for Fiscal Year 2007

KOBE, Japan, October 18, 2007 --- SAKURA KCS Corporation (“Sakura KCS”) hereby announces that it has revised its earnings forecasts published on May 17, 2007.

1. Revision of consolidated earnings forecast

(1) Revision of consolidated fiscal 2007 forecasts: First half ended September 30, 2007

(Millions of yen, except per share amounts and percentages)

| | Sales | Operating profit | Ordinary profit | Net income | Net income per share |
|----------------------------------|---------|------------------|-----------------|------------|----------------------|
| Previous forecast (A) | ¥11,850 | ¥310 | ¥400 | ¥480 | ¥42.85 |
| Revised forecast (B) | 11,354 | 195 | 279 | 391 | 34.96 |
| Difference (B)–(A) | (495) | (114) | (120) | (88) | (7.89) |
| Percentage change | (4.2)% | (37.0)% | (30.1)% | (18.4)% | (18.4)% |
| (Ref.) First Half of Fiscal 2006 | 10,905 | 306 | 390 | 469 | 41.92 |

(2) Revision of consolidated fiscal 2007 forecasts: Full year ending March 31, 2008

(Millions of yen, except per share amounts and percentages)

| | Sales | Operating profit | Ordinary profit | Net income | Net income per share |
|-------------------------|---------|------------------|-----------------|------------|----------------------|
| Previous forecast (A) | ¥24,700 | ¥900 | ¥1,060 | ¥865 | ¥77.23 |
| Revised forecast (B) | 24,700 | 805 | 950 | 780 | 69.64 |
| Difference (B)–(A) | 0 | (95) | (110) | (85) | (7.59) |
| Percentage change | 0% | (10.6)% | (10.4)% | (9.8)% | (9.8)% |
| (Ref.) Fiscal year 2006 | 23,445 | 861 | 1,002 | 838 | 74.82 |

2. Revision of non-consolidated earnings forecast

(1) Revision of non-consolidated fiscal 2007 forecasts: First half ended September 30, 2007

(Millions of yen, except per share amounts and percentages)

| | Sales | Operating profit | Ordinary profit | Net income | Net income per share |
|----------------------------------|---------|------------------|-----------------|------------|----------------------|
| Previous forecast (A) | ¥11,500 | ¥265 | ¥370 | ¥435 | ¥38.84 |
| Revised forecast (B) | 11,013 | 163 | 266 | 365 | 32.65 |
| Difference (B)–(A) | (486) | (101) | (103) | (69) | (6.19) |
| Percentage change | (4.2)% | (38.1)% | (28.0)% | (15.9)% | (15.9)% |
| (Ref.) First Half of Fiscal 2006 | 10,519 | 256 | 359 | 458 | 40.95 |

(2) Revision of non-consolidated fiscal 2007 forecasts: Full year ending March 31, 2008

(Millions of yen, except per share amounts and percentages)

| | Sales | Operating profit | Ordinary profit | Net income | Net income per share |
|-------------------------|---------|------------------|-----------------|------------|----------------------|
| Previous forecast (A) | ¥24,000 | ¥830 | ¥1,000 | ¥805 | ¥71.87 |
| Revised forecast (B) | 24,000 | 735 | 900 | 730 | 65.18 |
| Difference (B)–(A) | 0 | (95) | (100) | (75) | (6.69) |
| Percentage change | 0% | (11.4)% | (10.0)% | (9.3)% | (9.3)% |
| (Ref.) Fiscal year 2006 | 22,670 | 754 | 914 | 794 | 70.90 |

3. Factors behind the revision

(1) Earnings forecasts of the first half ended September 30, 2007

Though both consolidated and non-consolidated sales of the first half will be higher than the results of the previous year, they are expected to be lower than the previous forecasts, mainly due to a delay in recognition of sales on some projects and a slowdown in sales of system development and hardware to the industrial and public sectors.

Consolidated and non-consolidated operating profit, ordinary profit and net income will be lower than the previous forecasts due to unprofitable software development projects ordered from a leading IT vendor.

(2) Earnings forecast for the full year ending March 31, 2008

The full-year sales forecast is expected to be achieved due to a favorable order trend in the second half.

The full-year profit forecasts have been revised reflecting the lower than expected profits in the first half resulting from the above mentioned unprofitable project whose impact on this year's earnings is limited, and the favorable order trend in the second half.

(3) Dividend

Dividend plan for fiscal year 2007 remains unchanged: annual ¥12 per share (interim ¥6 and year-end ¥6).

This press release contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.