Credit Card Business Strategy of Sumitomo Mitsui Financial Group

TOKYO, February 29, 2008 – Sumitomo Mitsui Financial Group, Inc. (“SMFG”, President: Teisuke Kitayama), Sumitomo Mitsui Banking Corporation (“SMBC”, President: Masayuki Oku), Central Finance Co., Ltd. (“CF”, President & Representative Director: Tatsuo Tsuchikawa), OMC Card, Inc. (“OMC”, President and COO: Shinji Ebata) and Sumitomo Mitsui Card Co., Ltd. (“SMCC”, President: Koichi Tsukihara) today reached an agreement to “establish the number one credit card business entity in Japan” through a close partnership among CF, OMC, and SMCC, the key players of the credit card business of the Sumitomo Mitsui Financial Group, as follows:

1. Background

Along with changes in customer lifestyles and the diversification of the settlement market caused by an evolution of IT technologies, the Japanese credit card market has been steadily expanding, and further growth is expected amid the spread of new domains of settlement, including petty cash settlement. On the other hand, under the requirement for development of new technologies and services, such as electronic money, and for investment in systems that meet more deep, sophisticated and diversified customers’ needs, and under the influence of the amendment to the Money Lending Business Law and the proposed revision to the Installment Sales Law, among other factors, the business environment surrounding the industry has been dramatically changing and has put the industry to a major turning point.

With these circumstances in mind, SMFG group took notice not only of the growth potential of the credit card business but also of its role as a gateway for integration of financial transactions by individuals as well as the business’ evolutionary nature which may lead to development of the contracting business or other deals with corporations. Since April 2007, SMFG has formed an alliance with CF, a credit finance-related card issuer, and OMC, a credit card company affiliated with a retailer, having decided to focus more than ever on the credit card business as one of the core elements of the retail business.

Under a new platform equipped with an overwhelming customer base and diverse strengths of affiliation with banking, retail and credit sales businesses, SMFG group has conducted an extensive study on the best management structure and business strategy without being confined to the existing framework.
2. Outline of the Credit Card Business Strategy

With the objective of establishing the number one credit card business entity in Japan, CF, OMC and SMCC will promote “thorough pursuit of the economies of scale of the whole group,” in terms of systems and other infrastructure, and aim at “maximization of the top-line synergy through utilization of each party’s strengths,” in terms of operations.

(1) Establishment of a Two-company System within the Group by Merger of CF, OMC and QUOQ

As separately announced today in the press release entitled “Basic Agreement on Merger of Central Finance Co., Ltd., OMC Card, Inc. and QUOQ Inc.,” CF, OMC and QUOQ Inc. (“QUOQ”, President: Shinpei Nihei) have basically agreed to merge (the “Merger”), setting April 1, 2009 as the target date (hereinafter the company formed by the Merger shall be referred to as the “Merged Company”). Upon the Merger, the industry’s top class credit card company will be born within SMFG group on a par with SMCC. The group’s credit card businesses will be consolidated into a framework based on a two-company system, namely SMCC and the Merged Company, which have different strengths.

SMCC will develop its business as a full-line credit card company with strengths in organizational power, infrastructure and networks, while maintaining its existing brand image. On the other hand, the Merged Company will maintain its independence as a listed corporation, while keeping a sense of unity as a member of SMFG group, and as a core company within SMFG group which stands on a par with SMCC. It will develop business through its expertise and agility in the markets where its strength has been built in affiliation with the retail and credit sales businesses.

The two companies, which are among the biggest in Japan but with totally different characteristics, will seek to enhance their respective strengths within the group, and strive to provide an appropriate response to the diverse needs of individuals and their corporate clients.

For the purpose of clearly defining the positioning of the Merged Company as a core company within the group, SMFG intends to increase the voting rights in the Merged Company to around the 40% range, and the specific means to implement this plan is going to be discussed. The confirmation of the Merger is subject to the approval by resolutions of the general meetings of the shareholders, the permission and authorization of the relevant authorities as required by law, and the necessary consent of related parties.

(2) Realization of Synergy through Establishment of a Solid Partnership between SMCC and the Merged Company

(I) Thorough pursuit of the economies of scale as a whole group

(i) Systems

SMCC and the Merged Company will unify their systems.

For this purpose, SMCC and the Merged Company are going to conduct a joint study of the optimal system configuration which would enable good use of each party’s strengths as well as full use of the economies of scale, and will jointly develop the systems for the next stage.
*As to the existing systems, the group will promptly build organic linkages between the parties’
systems, and accelerate integration of the systems to a maximum extent, with consideration given
to the economic rationality and other factors.

(ii) Processing operations

SMCC and the Merged Company will ultimately unify their processing operations to
generate a low-cost operation. They will also strive for the streamlining and standardization
of business processing as well as for the establishment of a next-generation business
processing scheme.

- Streamlining of business: improvement of personnel and facilities operation rates, taking
advantage of differences in the demands of each party’s business schedule.
- Standardization of business: unification of the business flows and processes for
admission of new card holders, various notifications etc., while ensuring consistency
with the systems integration.
- Establishment of next-generation business processing: use of OCR and other IT devices,
promotion of offshoring, etc.

(iii) Acquiring operations

The acquiring operations will be centralized in SMCC, which already demonstrates its
strengths as one of the largest acquirers in Japan, in order to improve services provided to
affiliated stores and the efficiency of the business. More specifically, settlement services
for the affiliated stores and sales processing services will be centralized in stages, along
with the system integration.

(II) Maximization of top-line synergy through the utilization of each party’s strengths

(i) Establishment of “multiple” collaboration scheme for affiliated card marketing

SMCC has the advantage of cutting-edge technologies and advanced infrastructure
functions, as typified by “iD” that was jointly developed with NTT DoCoMo, Inc. The
Merged Company has strength in its unique know-how on cardholder solicitation and
marketing power which was accumulated through its people-oriented philosophy
characteristic of a retailer-affiliated company, as well as its detailed marketing systems
linked with the credit sales business.

Taking notice of such differences in the strengths of SMCC and the Merged Company, we
will invest the management resources intensively in the markets where each party can
capitalize on its specific advantages, in order to develop the entire SMFG group’s ability to
meet the increasingly sophisticated needs of its business partners.

Furthermore, the group will offer general services and functions which combine both
companies’ strengths to its affiliated partners who have broad needs in the markets in which
SMCC’s and the Merged Company’s strengths overlap, going beyond the framework of
affiliation with “banking/ retail/credit sale” businesses.

(ii) Expansion of the contracting business

SMCC and the Merged Company will position the contracting business as one of their key
businesses and seek to formulate a best mix of each party’s strengths. We will pursue an
expansion of the contracting on a group basis and strive for the status of being the number
one contracting business in the credit card industry.
(iii) Establishment of other broad-ranging common frameworks for reinforcement of the top-line

SMCC and the Merged Company will formulate common frameworks in broad areas, including utilization of high technology, promotion of shopping revolving and other financing means, efforts to be chosen as the customers’ main credit card provider, exploration of new markets such as petty cash settlement and public money markets, development of common products, and sharing of know-how.

(III) Fortifying the alliance through establishment of an intermediary holding company

Subject to the permission and approvals of the relevant authorities, SMFG will establish, aiming at a smooth alliance between SMCC and the Merged Company, an intermediate holding company (the “Intermediate Holding Company”) wholly owned by SMFG, setting October 1, 2008 as the target date. Immediately upon the incorporation of the Intermediate Holding Company, SMFG and SMBC will transfer to the Intermediate Holding Company all the shares in CF, OMC, QUOQ and SMCC held by SMFG or SMBC.

The Intermediate Holding Company will set up a group-wide unified strategic policy and work to establish an integrated framework of partnership among CF, OMC and QUOQ (the Merged Company from April 2009), and SMCC, with the objective of a thorough pursuit of the economies of scale and reinforcement of the top-line synergy.

For the purpose of smooth implementation of the strategies and sharing of know-how, each of the parties will dispatch personnel to the Intermediate Holding Company, and will also exchange personnel among themselves.

(3) Medium-term Target

As a result of the promotion of the above-described credit card business strategy, our target for the aggregate shopping turnover of SMCC and the Merged Company for the fiscal year of 2011 will be JPY 12 trillion (up 70% over the estimate for the current fiscal year, and representing a market share of over 20%), and operating profit to be JPY 60 to 70 billion (up approximately JPY 50 billion from the forecast for the current fiscal year), with the prospect of a growth of the income from the shopping credit business due to the top-line synergy, as well as realization of the cost synergy, among other factors.

(4) Proposed Schedule

September 2008 (target) - Execution of the agreement on merger of CF, OMC and QUOQ
October 2008 (target) - Establishment of the Intermediate Holding Company
April 1, 2009 (target) - Merger of CF, OMC and QUOQ

3. Business Forecast

(1) SMFG

There will be no revision to the business forecast for the fiscal year ending March 2008 in connection with this matter.

(2) CF

There will be no revision to the business forecast for the fiscal year ending March 2008 in connection with this matter.
(3) OMC

There will be no revision to the business forecast for the fiscal year ending February 2008 in connection with this matter.
Customers (consumers, business partners, etc.)

Diversification of consumers’ preferences and needs
Multiplication of consumption scenes
Sophistication and complexity of business partners’ needs

SMCC
- Full-line
- Affiliation based on utilization of existing infrastructure
- High technology

Maximization of Top-line Synergy
- Complex partnership*
- Expansion of contracting business
- Mutual complementation of functions and sharing of know-how

Pursuit of Economies of Scale
- Integration of systems and processing
- Centralization of acquiring operations

Merged Company
- Linkage between credit card and credit sales
- Affiliation based on the MSP Model
- People-oriented marketing

Intermediate Holding Company

66%
40% range

100%
SMFG

* Image of the complex partnership in marketing of affiliated credit cards

(a) SMCC’s market of focus
Partners in need of high-function settlement

(b) Merged Company’s market of focus
Partners in need of marketing functions

(c) Market for joint exploration
Partners concerned with both needs

(a) Markets in which SMCC has strengths
Business partners that require support by the full use of high technologies, such as electronic money, as well as flexible advanced systems infrastructure (partners in need of high-function settlement)

(b) Markets in which the Merged Company has strengths
Business partners in need of marketing support (for acquisition of new members, promotion of utilization, sales promotion, etc.) and assistance through detailed marketing systems and networks (partners in need of marketing functions)

(c) Markets in which strengths of the two companies overlap

Needs for high-function settlement
Needs for marketing
<table>
<thead>
<tr>
<th>Trade Name</th>
<th>Sumitomo Mitsui Financial Group, Inc.</th>
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</thead>
<tbody>
<tr>
<td><strong>Description of Principal Business</strong></td>
<td>Management and administration of banks and other companies which it is permitted to hold as its subsidiaries under the Banking Law; and other businesses incidental to the foregoing.</td>
</tr>
<tr>
<td><strong>Date of Incorporation</strong></td>
<td>December 2, 2002</td>
</tr>
<tr>
<td><strong>Location of Head Office</strong></td>
<td>1-2, Yuraku-cho 1-chome, Chiyoda-ku, Tokyo</td>
</tr>
<tr>
<td><strong>Name and Title of Representative</strong></td>
<td>Teisuke Kitayama, President</td>
</tr>
<tr>
<td><strong>Amount of Capital</strong></td>
<td>JPY 1,420,877 million (As of September 30, 2007)</td>
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<tr>
<td><strong>Number of Employees</strong></td>
<td>46,442 (Consolidated) (As of September 30, 2007)</td>
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<tr>
<td><strong>Major Shareholders and Shareholding Ratio</strong></td>
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<td>(As of September 30, 2007)</td>
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<thead>
<tr>
<th>Trade Name</th>
<th>Sumitomo Mitsui Banking Corporation</th>
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<tr>
<td><strong>Description of Principal Business</strong></td>
<td>Banking business</td>
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<tr>
<td><strong>Date of Incorporation</strong></td>
<td>June 6, 1996</td>
</tr>
<tr>
<td><strong>Location of Head Office</strong></td>
<td>1-2, Yuraku-cho 1-chome, Chiyoda-ku, Tokyo</td>
</tr>
<tr>
<td><strong>Name and Title of Representative</strong></td>
<td>Masayuki Oku, President</td>
</tr>
<tr>
<td><strong>Amount of Capital</strong></td>
<td>JPY 664,986 million (As of September 30, 2007)</td>
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<tr>
<td><strong>Number of Employees</strong></td>
<td>17,945 (Non-Consolidated) (As of September 30, 2007)</td>
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<td><strong>Major Shareholders and Shareholding Ratio</strong></td>
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<td>(As of September 30, 2007)</td>
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<thead>
<tr>
<th>Trade Name</th>
<th>Central Finance Co., Ltd.</th>
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</thead>
<tbody>
<tr>
<td><strong>Description of Principal Business</strong></td>
<td>Credit card business, shopping credit business, loan business, guarantee business, money collection agency business</td>
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<tr>
<td><strong>Date of Incorporation</strong></td>
<td>January 28, 1960</td>
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<tr>
<td><strong>Location of Head Office</strong></td>
<td>20-27, Nishiki 3-chome, Naka-ku, Nagoya-shi, Aichi</td>
</tr>
<tr>
<td><strong>Name and Title of Representative</strong></td>
<td>Tatsuo Tsuchikawa, President &amp; Director</td>
</tr>
<tr>
<td><strong>Amount of Capital</strong></td>
<td>JPY 23,254 million (As of September 30, 2007)</td>
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<td><strong>Number of Employees</strong></td>
<td>2,415 (Consolidated) (As of September 30, 2007)</td>
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<td><strong>Major Shareholders and Shareholding Ratio</strong></td>
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<td>(As of September 30, 2007)</td>
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<tr>
<td>Trade Name</td>
<td>OMC Card, Inc.</td>
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<tr>
<td>Description of Principal Business</td>
<td>Credit card business</td>
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<tr>
<td>Date of Incorporation</td>
<td>September 11, 1950</td>
</tr>
<tr>
<td>Location of Head Office</td>
<td>16-4, Konan 2-chome, Minato-ku, Tokyo</td>
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<tr>
<td>Name and Title of Representative</td>
<td>Hiromichi Funabashi, Chairman &amp; CEO</td>
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<tr>
<td>Amount of Capital</td>
<td>43,343 million (As of August 31, 2007)</td>
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<tr>
<td>Number of Employees</td>
<td>1,296 (Consolidated) (As of August 31, 2007)</td>
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</tbody>
</table>
| Major Shareholders and Shareholding Ratio | The Nomura Trust and Banking Co., Ltd. (trust account) 27.44%*1  
The Daiei, Inc. 20.60%  
Acom Co., Ltd. 15.02%  
(As of August 31, 2007) |

*1 SMBC owns the trust beneficial interest in the trust assets composed of the 58,633 thousand shares (which represents 27.44% of the total number of the issued shares) held by The Nomura Trust and Banking Co., Ltd. (trust account). The term of this trust expired on February 8, 2008, and thereupon SMBC acquired the above-mentioned shares constituting the trust assets, and OMC has become an affiliated company of SMFG and SMBC under equity method (mochibun-ho).

○ Profile of Sumitomo Mitsui Card Co., Ltd.

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<tr>
<th>Trade Name</th>
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<tbody>
<tr>
<td>Description of Principal Business</td>
<td>Credit card business, loan business, guarantee business, gift card business and ancillary businesses</td>
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<td>Date of Incorporation</td>
<td>December 26, 1967</td>
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<tr>
<td>Location of Head Office</td>
<td>5-15, Imabashi 4-chome, Chuo-ku, Osaka-shi, Osaka</td>
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<tr>
<td>Name and Title of Representative</td>
<td>Koichi Tsukihara, President</td>
</tr>
<tr>
<td>Amount of Capital</td>
<td>JPY 34,000 million (As of September 30, 2007)</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>1,997 (Non-Consolidated) (As of September 30, 2007)</td>
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</table>
| Major Shareholders and Shareholding Ratio | Sumitomo Mitsui Financial Group, Inc. 66.0%  
NTT DoCoMo, Inc. 34.0%  
(As of September 30, 2007) |
[For Reference] Other Press Release Issued Today concerning this Matter:

- SMFG, SMBC, CF, OMC and QUOQ
  “Basic Agreement on Merger of Central Finance Co., Ltd., OMC Card, Inc. and QUOQ Inc.”