Notes to Consolidated Balance Sheet

1. Amounts less than one million yen have been omitted.

2. Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in “Trading assets” or “Trading liabilities” on the consolidated balance sheet on a trade date basis.
   Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated balance sheet date.

3. Debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are carried at amortized cost (straight-line method) using the moving-average method.
   Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method.
   Securities other than trading purpose securities, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as “other securities” (available-for-sale securities). Stocks in other securities that have market prices are carried at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities with no available market prices are carried at cost or amortized cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in “Stockholders’ equity,” after deducting the amount that is reflected in the fiscal year’s earnings by applying fair value hedge accounting.

4. Securities included in money held in trust are carried in the same method as in Notes 2 and 3.

5. Derivative transactions, excluding those classified as trading derivatives, are carried at fair value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with their local accounting standards.

6. Premises and equipment owned by Sumitomo Mitsui Financial Group, Inc. (SMFG) and its consolidated subsidiary, Sumitomo Mitsui Banking Corporation (SMBC) are depreciated using the straight-line method for premises and the declining-balance method for equipment. The estimated useful lives of major items are as follows:
   Buildings: 7 to 50 years
   Equipment: 2 to 20 years
   Other consolidated subsidiaries depreciate premises and equipment, and lease assets primarily using the straight-line method over the estimated useful lives of the respective assets and the straight-line method over the lease term based on the residual value of assets at the end of the lease term, respectively.

7. Capitalized software for internal use owned by SMFG and its consolidated domestic subsidiaries is depreciated using the straight-line method over its estimated useful life (basically five years).

8. SMBC’s assets and liabilities denominated in foreign currencies and overseas branches’ accounts are translated into Japanese yen mainly at the exchange rate prevailing at the consolidated balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.
   Other consolidated subsidiaries’ assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at their respective balance sheet dates.

9. Reserve for possible loan losses of major consolidated subsidiaries is provided as detailed below in accordance with the internal standards for write-offs and provisions.
   For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation (“effectively bankrupt borrowers”), a reserve is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.
   For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy (“potentially bankrupt borrowers”), a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.
   Discounted Cash Flows (DCF) method is used for claims on borrowers whose cash flows from collection of principals and interest can be rationally estimated and SMBC applies it to claims on large potentially bankrupt borrowers and claims on large borrowers requiring close monitoring that have been classified as “Past due loans (3 months or more)” or “Restructured loans,” whose total loans from SMBC exceed a certain amount. SMBC establishes a reserve for possible loan losses using the DCF method for such claims in the amount of the difference between the present value of principal and interest (calculated using the rationally estimated cash flows discounted at the initial contractual interest rate) and the book value.
   For other claims, a reserve is provided based on the historical loan-loss ratio.
   For claims originated in specific overseas countries, an additional reserve is provided in the amount deemed necessary based on the assessment of political and economic conditions.
   Branches and credit supervision departments assess all claims in accordance with the internal rules for self-assessment of assets, and the Credit Review Department, independent from these operating sections, audits their assessment. The reserves are

provided based on the results of these assessments.

Reserve for possible loan losses of other consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off was 799,143 million yen.

10. Reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to the fiscal year.

11. Reserve for employee retirement benefits is provided for payment of retirement benefits to employees, in the amount deemed accrued at the fiscal year-end, based on the projected retirement benefit obligation and the fair value of plan assets at the fiscal year-end.

Unrecognized prior service cost is amortized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Unrecognized net actuarial gain (loss) is amortized using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

12. Financing leases of SMFG and its consolidated domestic subsidiaries, excluding those in which the ownership of the property is transferred to the lessee, are accounted for in the same method as operating leases.

13. As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, SMBC applies deferred hedge accounting or fair value hedge accounting.

SMBC applies deferred hedge accounting stipulated in “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No.24) to portfolio hedges of large-volume, small-value monetary claims and debts.

As for the portfolio hedges to offset market fluctuation, SMBC assesses the effectiveness of such hedges by classifying the hedged items (such as deposits and loans) and the hedging instruments (such as interest rate swaps) by their maturity. As for the portfolio hedges to fix cash flows, SMBC assesses the effectiveness of such hedges by verifying the correlation between the hedged items and the hedging instruments.

As for the individual hedges, SMBC also basically applies deferred hedge accounting. But, SMBC applies fair value hedge accounting to hedging transactions for reducing the market volatility of bonds classified as other securities that are held for the purpose of Asset and Liability Management.

As a result of the application of JICPA Industry Audit Committee Report No.24, SMBC discontinued the application of hedge accounting or applied fair value hedge accounting to a portion of the hedging instruments using “macro hedge,” which had been applied in order to manage interest rate risk arising from large-volume transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives pursuant to “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No.15). The deferred hedge losses and gains related to such a portion of hedging instruments are charged to “Interest income” or “Interest expenses” over a 12-year period (maximum) according to their maturity from the fiscal year ended March 31, 2004. At the fiscal year-end, gross amounts of deferred hedge losses and gains on “macro hedge” were 100,159 million yen and 78,635 million yen, respectively.

14. SMBC applies deferred hedge accounting stipulated in “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No.25) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Audit Committee Report No.25, SMBC assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.

15. As for derivative transactions between consolidated subsidiaries or internal transactions between trading accounts and other accounts (or among internal sections), SMBC manages the interest rate swaps and currency swaps that are designated as hedging instruments in accordance with the strict criteria for external transactions stipulated in JICPA Industry Audit Committee Report No.24 and No.25. Therefore, SMBC accounts for the gains or losses that arise from interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

Certain other consolidated subsidiaries apply the deferred hedge accounting or the special treatment for interest rate swaps. A consolidated domestic subsidiary (a leasing company) partly applies the accounting method that is permitted by “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry” (JICPA Industry Audit Committee Report No.19).

16. National and local consumption taxes of SMFG and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.

17. Other reserves required by special laws are reserve for contingent liabilities from financial futures transactions in accordance with Article 81 of the Financial Futures Transaction Law of 18 million yen, and reserve for contingent liabilities from securities transactions in accordance with Article 51 of the Securities and Exchange Law of 1,122 million yen.

18. Accumulated depreciation on premises and equipment and accumulated depreciation on lease assets amounted to 546,672 million yen and 1,564,686 million yen, respectively.

19. Deferred gain on real property deductible for tax purposes amounted to 65,269 million yen.

20. Bankrupt loans and Non-accrual loans were 59,332 million yen and 714,366 million yen, respectively.
“Bankrupt loans” are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 of the Japanese Corporate Tax Law (issued in 1965) and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons.
“Non-accrual loans” are loans on which accrued interest income is not recognized, excluding “Bankrupt loans” and loans on which interest payments are deferred in order to support the borrowers’ recovery from financial difficulties.

21. Past due loans (3 months or more) totaled 24,571 million yen.
“Past due loans (3 months or more)” are loans on which the principal or interest is past due for three months or more, excluding “Bankrupt loans” and “Non-accrual loans.”

22. Restructured loans totaled 444,889 million yen.
“Restructured loans” are loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers’ recovery from financial difficulties, excluding “Bankrupt loans,” “Non-accrual loans” and “Past due loans (3 months or more).”

23. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans was 1,243,160 million yen. The amounts of loans presented in Notes 20 to 23 above are the amounts before deduction of reserve for possible loan losses.

24. Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No.24. SMFG’s banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value was 891,160 million yen, and bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought that were rediscounted by the banking subsidiaries accounted for 2,918 million yen of the total amount.

25. Assets pledged as collateral were as follows:

	(Millions of yen)
Assets pledged as collateral	
Cash and due from banks	79,117
Trading assets	114,551
Securities	9,229,645
Loans and bills discounted	1,552,435
Other assets (installment account receivable etc.)	1,131
Liabilities corresponding to assets pledged as collateral	
Deposits	19,111
Call money and bills sold	6,996,598
Payables under repurchase agreements	383,597
Payables under securities lending transactions	2,543,261
Trading liabilities	196,137
Borrowed money	27,019
Other liabilities	36,317
Acceptances and guarantees	157,658

In addition, Cash and due from banks of 6,729 million yen, Trading assets of 665,395 million yen and Securities of 4,072,275 million yen were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.
Premises and equipment include surety deposits and intangible of 97,162 million yen, and Other assets include initial margins of futures markets of 14,631 million yen.

26. Net amount of deferred unrealized gains (losses) on hedging instruments to which deferred hedge accounting is applied is reported as deferred losses on hedge and is included in “Other assets.” Gross deferred unrealized losses and gains on hedging instruments were 610,517 million yen and 436,183 million yen, respectively.

27. SMBC revaluated its own land for business activities in accordance with the “Law Concerning Land Revaluation” (the “Law”) effective March 31, 1998 and the law concerning amendment of the Law effective March 31, 2001. The income taxes corresponding to the net unrealized gains are deferred and reported in “Liabilities” as “Deferred tax liabilities for land revaluation,” and the net unrealized gains, net of deferred taxes, are reported as “Land revaluation excess” in “Stockholders’ equity.”

Certain other consolidated subsidiaries revaluated their own land for business activities in accordance with the Law. The income taxes corresponding to the net unrealized gains (losses) are deferred and reported in “Liabilities” or “Assets” as “Deferred tax liabilities for land revaluation” or “Deferred tax assets for land revaluation,” and the net unrealized gains (losses), net of deferred taxes, are reported as “Land revaluation excess” in “Stockholders’ equity.”

Date of the revaluation

SMBC:

March 31, 1998 and March 31, 2002

Certain other consolidated subsidiaries:

March 31, 1999 and March 31, 2002

Method of revaluation (stipulated in Article 3-3 of the Law)

SMBC:

Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Article 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law Concerning Land Revaluation (the Enforcement Ordinance No.119) effective March 31, 1998.

Certain other consolidated subsidiaries:

Fair values were determined based on the values stipulated in Article 2-3 and 2-5 of the Enforcement Ordinance No.119.

The total fair value of land used for business activities at the fiscal year-end, whose book value had been revaluated pursuant to Article 10 of the Law, was 15,253 million yen lower than the book value.

28. The balance of subordinated debt included in “Borrowed money” was 622,500 million yen.

29. The balance of subordinated bonds included in “Bonds” was 2,132,066 million yen.

30. Stockholders’ equity per share was 400,168.90 yen.

31. Market value and unrealized gains (losses) on securities are shown as below:

The amounts shown in the following tables include trading securities and short-term bonds classified as “Trading assets,” negotiable certificates of deposit bought classified as “Cash and due from banks,” and beneficiary claims on commodity investment trusts classified as “Commercial paper and other debt purchased,” in addition to “Securities” stated in the consolidated balance sheet. This definition is applied up to Notes 34.

(1) Securities classified as trading purposes

As of March 31, 2006	(Millions of yen)
Consolidated balance sheet amount	1,088,599
Valuations gains (losses) included in the earnings for the fiscal year	(648)

(2) Bonds classified as held-to-maturity with market value

As of March 31, 2006					(Millions of yen)
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	750,204	730,568	(19,635)	306	19,942
Japanese local government bonds	96,892	93,527	(3,365)	–	3,365
Japanese corporate bonds	379,614	371,560	(8,053)	–	8,053
Other	19,619	19,893	274	274	–
Total	1,246,330	1,215,549	(30,781)	580	31,361

(3) Other securities with market value

As of March 31, 2006					(Millions of yen)
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	1,903,193	3,605,884	1,702,690	1,722,129	19,438
Bonds	12,683,880	12,386,646	(297,233)	988	298,222
Japanese government bonds	11,083,609	10,815,889	(267,720)	173	267,894
Japanese local government bonds	525,076	510,885	(14,191)	282	14,473
Japanese corporate bonds	1,075,194	1,059,872	(15,321)	532	15,854
Other	4,194,178	4,162,057	(32,120)	48,052	80,172
Total	18,781,252	20,154,589	1,373,337	1,771,170	397,833

Net unrealized gains on other securities shown above include losses of 3,193 million yen that is recognized in the fiscal year’s earnings by applying fair value hedge accounting. As a result, the amount to be recorded in stockholders’ equity is 1,376,530 million yen.

“Net unrealized gains on other securities” includes 819,757 million yen which is the sum of the following items:

			(Millions of yen)
	Net unrealized gains to be included in stockholders’ equity, as a result of applying fair value hedge accounting	(a)	1,376,530
(–)	Deferred tax liabilities	(b)	559,416
	(c) = (a) – (b)		817,114
(–)	Minority interests corresponding to (c)		8,343
(+)	SMFG’s interests of net unrealized gains on valuation of other securities held by affiliates accounted for by the equity method		10,986
	Total		819,757

Other securities with market value are considered as impaired if the market value decreases materially below the acquisition cost and such decline is not considered as recoverable. The market value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation loss for the fiscal year was 97 million yen. The rule for determining “material decline” is as follows and is based on the classification of issuing company under self-assessment of assets.

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers	: Market value is lower than acquisition cost.
Issuers requiring caution	: Market value is 30% or more lower than acquisition cost.
Normal issuers	: Market value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt
Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt
Potentially bankrupt issuers: Issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy
Issuers requiring caution: Issuers that are identified for close monitoring
Normal issuers: Issuers other than the above four categories of issuers

32. The amount of other securities sold during the fiscal year is as follows:

Year ended March 31, 2006		(Millions of yen)
Sales amount	Gains on sales	Losses on sales
33,089,259	138,964	78,609

33. Summary information on securities with no available market value is as follows:

As of March 31, 2006	(Millions of yen)
	Consolidated balance sheet amount
Bonds classified as held-to-maturity	
Unlisted foreign securities	269
Other	3,758
Other securities	
Unlisted stocks (excluding OTC stocks)	402,747
Unlisted bonds	2,518,691
Unlisted foreign securities	457,953
Other	309,303

34. Redemption schedule of other securities with maturities and held-to-maturity bonds is as follows:

As of March 31, 2006				(Millions of yen)
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	5,841,530	4,784,630	2,468,673	3,037,217
Japanese government bonds	5,339,631	2,060,842	1,239,560	2,926,058
Japanese local government bonds	32,135	252,239	322,956	445
Japanese corporate bonds	469,763	2,471,547	906,156	110,713
Other	870,175	1,564,473	682,146	848,570
Total	6,711,706	6,349,103	3,150,820	3,885,788

35. Information on money held in trust is as follows:

Other money held in trust

As of March 31, 2006				(Millions of yen)
Acquisition cost	Consolidated balance sheet amount	Net unrealized gains	Unrealized gains	Unrealized losses
2,703	2,912	209	209	–

Net unrealized gains on other money held in trust of 124 million yen (after the deduction of 84 million yen in deferred tax liabilities from the above 209 million yen in net unrealized gains) are included in "Net unrealized gains on other securities."

36. Japanese government bonds and Stocks as a sub-account of Securities include 1,331 million yen of unsecured loaned securities for which borrowers have the right to sell or pledge.

As for the unsecured borrowed securities for which SMBC has the right to sell or pledge and the securities which SMBC purchased under resale agreements, that are permitted to be sold or pledged without restrictions, 1,713,027 million yen of securities are pledged, and 199,720 million yen of securities are held in hand as of the consolidated balance sheet date.

37. Commitment line contracts on overdrafts and loans are agreements to lend to customers up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was 38,176,896 million yen, and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was 32,754,665 million yen. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which SMBC and other consolidated subsidiaries can reject an application from customers or reduce the contract amounts in the event that economic conditions change, SMBC and other consolidated subsidiaries need to secure claims, or other events occur. In addition, SMBC and other consolidated subsidiaries may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers' financial positions, revising contracts when need arises and securing claims after contracts are made.

38. Information on projected benefit obligation and others at the fiscal year-end is shown as follows:

	(Millions of yen)
Projected benefit obligation	(909,802)
Plan assets (fair value)	1,236,535
Unfunded projected benefit obligation	326,733
Unrecognized net actuarial gain or loss	(126,816)
Unrecognized prior service costs (net)	(59,727)
Net amount recorded on the consolidated balance sheet	140,189
Prepaid pension cost	176,976
Reserve for employee retirement benefits	(36,786)

39. Effective April 1, 2005, SMFG applied "Accounting Standards for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment on Fixed Assets," issued by the Business Accounting Council on August 9, 2002) and "Guidelines on Implementation of Accounting Standard for Impairment of Fixed Assets" (Guidelines on Implementation of Business Accounting Standard No.6, issued on October 31, 2003). As a result, net income before income taxes and minority interests decreased by 11,523 million yen compared with the former method.

In the banking industry, fixed assets are stated at cost less accumulated depreciation pursuant to the Enforcement Ordinance of the Banking Law. Accumulated impairment loss is also deducted from the book value of each asset.

40. On January 31, 2006, SMFG issued 80,000 new shares of common stock at 1,130,500 yen per share (issue price) for final allocation by underwriters at 1,166,200 yen per share (offer price). Furthermore, in connection with the over-allotment of 40,700 shares of common stock offered for sale at 1,166,200 yen per share (sales price) in the public offering, SMFG issued on February 28, 2006 the same number of new shares of common stock at 1,130,500 yen per share (issue price) through third-party allocation to the underwriter who conducted the over-allotment. The purchase agreement for the offering prescribes that the total amount of issue price be treated as the total amount of subscription price and no underwriting commission be paid. Accordingly, Other expenses do not include the amount equivalent to the underwriting commission for the offering. Out of the issue price per share, 565,250 yen is accounted for as capital stock and 565,250 yen as capital surplus.

Also, on January 31, 2006, SMFG disposed of 400,000 shares of treasury stock at 1,130,500 yen per share (disposal price) for final allocation by underwriters at 1,166,200 yen per share (sales price). The purchase agreement for the offering prescribes that the total amount of disposal price be treated as the total amount of subscription price and no underwriting commission be paid. Accordingly, Other expenses do not include the amount equivalent to the underwriting commission for the offering. The difference between the disposal price and the book value of the treasury stock sold in the offering is accounted for as Other capital surplus.

41. On April 27, 2006, SMBC was issued administrative orders (business suspension order and business improvement order) in respect to the manner in which it marketed interest rate swaps at its Corporate Business Offices, by the Financial Services Agency, pursuant to Article 26-1 of the Banking Law.

42. On April 28, 2006, SMFG resolved to make SMBC Friend Securities Co., Ltd. (“Friend Securities”) into a wholly-owned subsidiary of SMFG through a share exchange, subject to regulatory approval, in order to establish a new business model distinct from the conventional one by combining banking and securities businesses and maximizing synergies between them, and signed a share exchange agreement whose effective date is September 1, 2006 with Friend Securities.

43. SMFG resolved to repurchase shares of Type 1 preferred stock and Type 2 preferred stock owned by the Resolution and Collection Corporation and retire such shares at the meeting of the Board of Directors held on May 12, 2006, and carried it out on May 17, 2006 as described below. The repurchase of the preferred shares was executed within SMFG’s own stock repurchase limit pursuant to Article 210 of the former Commercial Code. The amount of retired shares was deducted from Capital surplus.

Details of repurchase and retirement

1. Type 1 preferred stock
   (1) Number of shares to be repurchased: 35,000 shares
   (2) Total amount of repurchase: 141,960,000,000 yen

2. Type 2 preferred stock
   (1) Number of shares to be repurchased: 33,000 shares
   (2) Total amount of repurchase: 133,956,900,000 yen