

Subsequent Events

1. Business combinations of subsidiaries: Merger of credit card companies

(1) Outline of the merger

(a) Company profiles

Surviving company: OMC Card, Inc. (Credit card business)

Merged company: Central Finance Co., Ltd. (Shopping credit business and general credit business)

Merged company: QUOQ Inc. (Shopping credit business and general credit business)

(b) Reasons for the merger

The credit card market is growing steadily, propelled by the expansion into new areas of settlement, such as for small purchases, the growing popularity of reward point programs, and other developments. Further substantial growth of the industry is anticipated with the greater use of credit cards to pay for public services charges and in other fields. At the same time, the business environment surrounding the industry is changing dramatically—development of new technologies and new services, such as electronic money; investment in systems that can respond to customers' needs for more in-depth, sophisticated and diverse services; enactment of laws on money lending business; etc.—and the industry is at a major turning point. In the shopping credit business, the Installment Sales Act is being revised amid the trend to strengthen consumer protection. Under these circumstances, companies need to restructure their operations in order to establish new business models.

On April 1, 2009, Central Finance Co., Ltd. ("CF"), OMC Card, Inc. ("OMC Card") and QUOQ Inc. ("QUOQ") merged to create one of the largest consumer finance companies in Japan with a high level of specialization and flexibility in its core businesses of credit cards and shopping credit by combining the customer bases, marketing capabilities, know-how and other resources of the three companies.

(c) Date of merger

April 1, 2009

(d) Legal form of the business combinations

OMC Card merged with CF and QUOQ, and CF and QUOQ was dissolved.

(New name of the company: Cedyne Financial Corporation)

(2) Outline of accounting method

SMFG applies the accounting procedures stipulated by Articles 39, 42 and 48 of the "Accounting Standard for Business Divestitures" (ASBJ Statement No.7).

(3) Name of the business segment, in which the subsidiary was included, in the segment information

Other business

(4) Approximate amounts of the subsidiary's earnings included in the consolidated statement of operations for the fiscal year:

Ordinary income: ¥ 44,596 million

Ordinary profit: 8,454 million

Net loss: 3,206 million

(5) Status after the business combination

QUOQ and its subsidiaries are excluded from the scope of consolidation, and Cedyne Financial Corporation has become an affiliated company accounted for by the equity method.

2. Shelf Registration Statement Filing

SMFG resolved at the meeting of the Board of Directors held on April 9, 2009 to file a Shelf Registration Statement (*hakkotorokusho*) in relation to the issuance of new shares as set forth below.

Type of Securities	Common stock of SMFG
Planned Effective Period	Within one year commencing from the effective date of the Shelf Registration Statement (From April 17, 2009 until April 16, 2010)
Planned Amount of Issuance	Up to ¥800 billion
Offering Method	Public offering
Use of Proceeds	To be invested in consolidated subsidiaries of SMFG

3. SMFG resolved at the meeting of the Board of Directors held on April 28, 2009 to authorize the redemption in full of the preferred securities issued by its overseas special purpose subsidiary. Outline of the preferred securities to be redeemed is as follows.

- (1) Issuer
SB Equity Securities (Cayman), Limited
- (2) Type of securities issued
Non-cumulative perpetual preferred securities
- (3) Redemption amount
¥340,000 million
- (4) Scheduled redemption date
June 30, 2009
- (5) Reason for redemption
Optional redemption

4. Acquisition of Nikko Cordial Securities Inc. and other businesses

(1) Objectives

Sumitomo Mitsui Banking Corporation (“SMBC”), a consolidated subsidiary of SMFG, has reached an agreement with Nikko Citi Holdings Inc. (“Nikko Citi HD”), a wholly owned subsidiary of Citigroup Inc. (“Citigroup”), and other related entities wherein SMBC would acquire 1) all shares in New Nikko Securities (tentative name; the shares referred to hereinafter as “New Nikko Securities Stock”) which will succeed to all operations of Nikko Cordial Securities Inc. (“Nikko Cordial”), which engages mainly in the retail securities business (excluding selected assets and liabilities; the “Retail Business”), and some businesses including the domestic debt and equity underwriting and other businesses of Nikko Citigroup Limited (“Nikko Citi”), which engages mainly in the wholesale securities business (the “Wholesale Business”; the Retail Business and the Wholesale Business collectively referred to hereinafter as the “Target Businesses”), 2) shares or partnership interests in affiliates and Civil Law partnerships relating to the Target Businesses (“Affiliates, etc.”; the shares referred to hereinafter as “Affiliate Stock, etc.”) and 3) other assets (such as trademarks relating to the “Nikko” brand and shares held for strategic reasons; hereafter “Other Assets”; New Nikko Securities Stock, Affiliate Stock, etc., and Other Assets collectively referred to hereinafter as “Target Shares, etc.”), all of which are either directly or indirectly owned by Nikko Citi HD, pursuant to approval of relevant authorities.

SMFG’s growth principle is to offer valuable services based on “Spirit of innovation,” “Speed,” and “Solution & Execution” to expand the customer base as a financial services group centered on a commercial bank. Through this transaction, SMFG plans to create a new leading financial services group and increase potential growth by combining stability and reliability that a commercial bank holds with New Nikko Securities’ high-quality customer services.

(2) Counterparty to the acquisition of New Nikko Securities Stock

Nikko Citi Holdings Inc.
Nikko Cordial Securities Inc.
Nikko Citi Business Services Inc.

(3) Overview of New Nikko Securities

(a) Business line

Securities business

(b) Operating performance and financial position of the company

Operating performance and financial position of New Nikko Securities are not reported because it has not yet been established. Non-consolidated operating performance and financial position of Nikko Cordial Securities Inc., which will be at the core of New Nikko Securities’ operations, are as follows:

Fiscal year ended March 31,	(Millions of yen)	
	2008	2009
Operating revenues	¥ 222,810	¥ 164,135
Net operating revenues	217,878	158,942
Operating profit	50,945	19,685
Ordinary profit	51,182	22,158
Net income (loss)	23,890	(3,626)
Net assets	420,600	393,392
Total assets	1,523,908	1,466,956

(4) Effective Date

October 1, 2009 (tentative)

(5) Acquisition price, etc.

(a) Acquisition price

(i) Total acquisition value for Target Shares, etc. (excluding Shares held for strategic policy reasons (listed stock))

¥545 billion (note that this figure will be adjusted based on net assets, etc. at New Nikko Securities and Affiliates, etc. at the point in time on the effective date)

(ii) Shares held for strategic reasons (listed stock)

Price equivalent to 95% of the market closing price as of four business days prior to the date immediately preceding the effective date (¥28.5 billion if calculated by using 95% of the closing price as of March 31, 2009)

(b) Shares held and shareholding ratio before and after the transaction

While the number of New Nikko Securities Stock to be acquired is unclear as New Nikko Securities is an entity which has not yet been established, SMBC plans to acquire 100% of New Nikko Securities Stock.

(6) Fund for the acquisition

Entire amount is expected to be funds on hand.