

**(Business Combinations)**

## &lt;Business combination through acquisition&gt;

Cedyna Financial Corporation consolidated as a subsidiary through a third-party allotment of new shares SMFG Card & Credit, Inc. ("FGCC"), a wholly-owned subsidiary of SMFG, subscribed all the new shares issued by way of a third-party allotment by Cedyna Financial Corporation ("Cedyna"), an equity method affiliate of SMFG, on May 31, 2010. Cedyna became a consolidated subsidiary of SMFG. The outline of the business combination is as follows:

## (1) Outline of the business combination

- (a) Name of the acquired company and its business  
Cedyna (Credit Card Services)

- (b) Main reasons for the business combination  
FGCC subscribed new shares issued by way of a third-party allotment by Cedyna and made Cedyna a consolidated subsidiary of SMFG in order to accelerate and ensure Cedyna's management restructuring including its investments in new businesses and systems developments to increase the corporate value as well as its cost restructuring, to further clarify the positioning of Cedyna as a core business entity, together with Sumitomo Mitsui Card Company, Limited of SMFG Group's credit card services and further to enhance Cedyna's capital base.

- (c) Date of business combination  
May 31, 2010

- (d) Legal form of the business combinations  
Consolidated as a subsidiary through a third-party allotment of new shares

- (e) Name of the controlling entity after the business combination  
Sumitomo Mitsui Financial Group, Inc.

- (f) Percentage share of voting rights SMFG has acquired

|   |     |
|---|-----|
| Percentage share of voting rights owned before business combination                         | 48% |
| Percentage share of voting rights additionally acquired at the date of business combination | 21% |
| Percentage share of voting rights after acquisition   | 69% |

- (g) Main reason for deciding to acquire the company  
It is because SMFG acquired a majority of voting rights of Cedyna and consolidated it as a subsidiary.

## (2) Period of the acquired company's financial results included in the consolidated statements of income

From April 1, 2010 to March 31, 2011

Note that as the deemed acquisition date is June 30, 2010, gain or loss related to the acquired company for the period from April 1, 2010 to June 30, 2010 is presented as gain or loss from investments by the equity method in the consolidated statements of income.

## (3) Acquisition cost of the acquired company

|  | Millions of yen |
|--|-----------------|
| Fair value of common stock of Cedyna owned before business combination                         | ¥ 35,901        |
| Fair value of common stock of Cedyna additionally acquired at the date of business combination | 49,999          |
| Expenses directly required for acquisition   | 203             |
| Acquisition cost of the acquired company   | ¥ 86,104        |

- (4) Difference between acquisition cost of the acquired company and total acquisition cost of individual transactions leading to acquisition

|  | Millions of yen |
|--|-----------------|
| Acquisition cost of the acquired company                                 | ¥ 86,104        |
| Total acquisition cost of individual transactions leading to acquisition | 74,437          |
| Difference (gains on step acquisitions)                                  | ¥ 11,667        |

- (5) Goodwill, reason for recognizing goodwill, amortization method and amortization period

- (a) Amount of goodwill  
¥9,671 million
- (b) Reason for recognizing goodwill  
SMFG accounted for the difference between the acquisition cost and the equivalent amount of SMFG's interests in Cedyna as goodwill.
- (c) Method and term to amortize goodwill  
Straight-line method over 20 years

- (6) Amounts of assets and liabilities acquired on the day of the business combination

|   |                 |
|---|-----------------|
| (a) Assets  |                 |
|   | Millions of yen |
| Total assets  | ¥ 2,631,525     |
| Loans and bills discounted                            | 438,497         |
| Other assets  | 803,639         |
| Customers' liabilities for acceptances and guarantees | 1,124,290       |
| (b) Liabilities                                       |                 |
|   | Millions of yen |
| Total liabilities                                     | ¥ 2,520,313     |
| Borrowed money  | 989,790         |
| Acceptances and guarantees                            | 1,124,290       |

- (7) Approximate amounts of impact on the consolidated statements of income for the fiscal year ended March 31, 2011, assuming that the business combinations had been completed on the commencement date of the fiscal year

- (a) The difference between the ordinary income and other income data estimated, assuming that the business combinations had been completed on the commencement date of the fiscal year and the actual ordinary income and other income data that are recorded in the consolidated statements of income is as follows:

|                 | Millions of yen |
|-----------------|-----------------|
| Ordinary income | ¥ 213,686       |
| Ordinary profit | (5,584)         |
| Net income      | (2,257)         |

Note: Ordinary income is presented as a counterpart of sales of companies in other industries.

- (b) Calculation method of the approximate amounts and material assumptions

The approximate amounts were calculated retroactively to the commencement date of the fiscal year based on the amounts stated in Cedyna and its consolidated subsidiaries' statements of income for the period from April 1, 2010 to June 30, 2010, including the amount of amortization of goodwill for the same period and are different from results of operation if the business combination had been completed on the commencement date of the fiscal year.

The information mentioned above has not been audited by KPMG AZSA LLC.