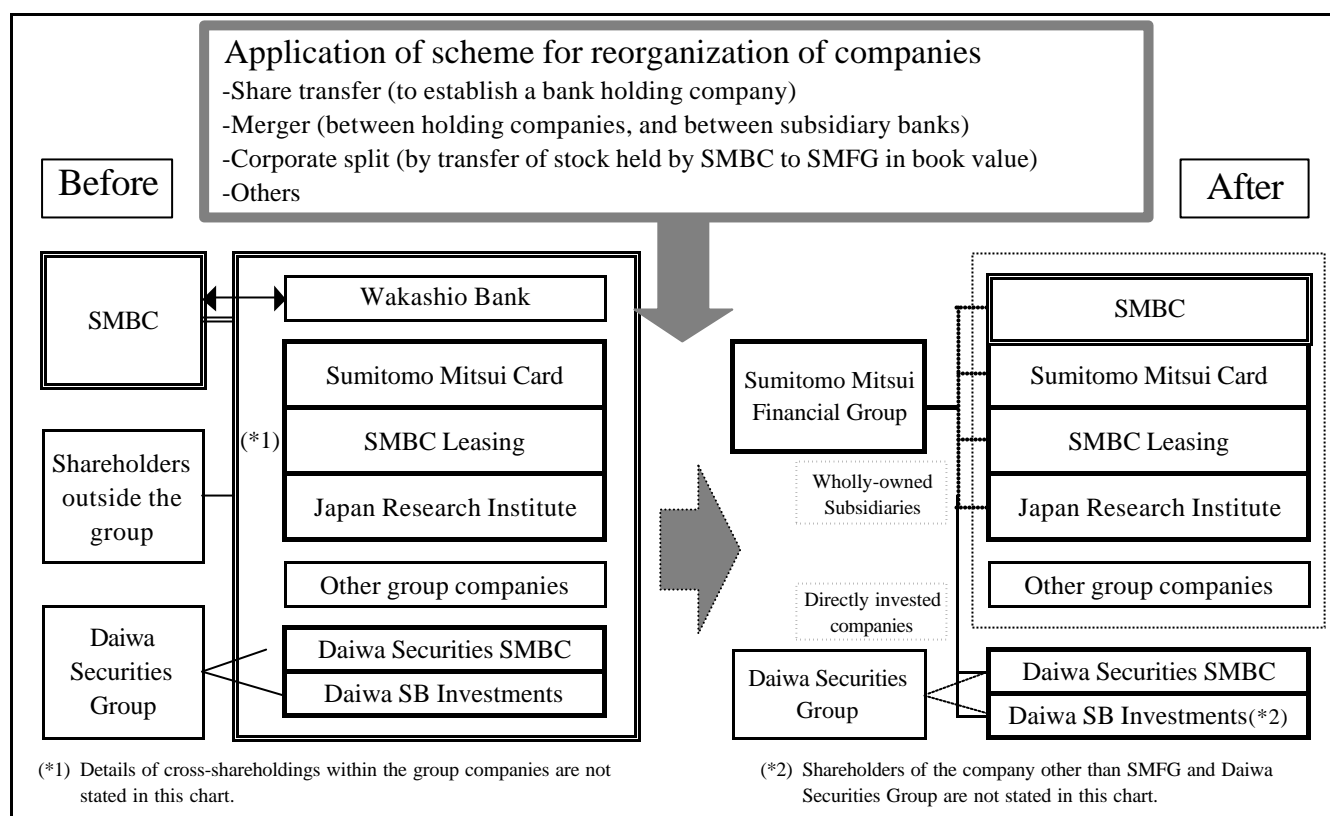


21. Reorganization of Group Companies

(1) Establishment of a financial services complex with a holding company structure



<Change of stockholders' equity of Sumitomo Mitsui Financial Group (SMFG) Non-consolidated>

(Billions of yen)

	Share transfer as of the establishment	Merger	Capital raising	Operational results for FY 2002	As of Mar 31, 2003
	(1)	(2)	(3)	(4)	(1)+(2)+(3)+(4)
Capital stock	1,000.0	-	+247.7	-	1,247.7
Capital surplus	1,496.6	+3.1	+247.6	-	1,747.3
Retained earnings	-	+36.8	-	+124.7	161.5
Treasury stock	-	-	-	(0.4)	(0.4)
Total stockholders' equity	2,496.6	+39.9	+495.3	+124.3	3,156.1

(1) Share transfer	... The amount of SMFG's net assets and book value of SMBC stock recorded on SMFG's opening balance account was equal to the amount of net assets of SMBC as of December 2, 2002, when SMBC became a wholly owned subsidiary of SMFG as a result of share transfer. Net assets of SMBC was divided into SMFG's capital stock and capital surplus, amounts to JPY 1 trillion and JPY 1,496.6 billion, respectively.
(2) Merger	... SMFG carried over the net assets of The Japan Research Institute Holdings ("JRI Holdings") amounts to JPY 39.9 billion as a result of the merger of JRI Holdings into SMFG. JRI Holdings was the former JRI, which had established the present JRI in November 2002 through corporate split, transferred its business as a whole to the present JRI, and changed its company name from JRI to JRI Holdings to become a holding company of the present JRI. The merger between SMBC and Wakashio Bank did not affect SMFG's net assets (see next page).
(3) Capital raising	... Issuance of preferred stocks to overseas investors amounts to JPY 495.3 billion.
(4) Operational results for FY 2002	... Net income amounted to JPY 124.7 billion due to interim dividends paid by SMBC etc.