

## Sumitomo Mitsui Financial Group, Inc (SMFG)

### Non-consolidated Financial Results for the Fiscal Year ended March 31, 2005

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Stock Exchange Listings: Tokyo, Osaka, Nagoya (code: 8316)

URL: <http://www.smfg.co.jp>

President & CEO: Yoshifumi Nishikawa

Date of approval of the Non-consolidated Financial Statements by the Board of Directors: May 24, 2005

Date of scheduled payment of dividends: June 29, 2005

Date of General Meeting of Shareholders: June 29, 2005

#### 1. Financial Results (for the fiscal year ended March 31, 2005)

##### (1) Operating Results

Amounts less than one million yen have been omitted.

Fiscal Year	Operating Income		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
ended March 31, 2005	258,866	366.3	256,222	388.3	253,448	395.1	252,228	399.4
ended March 31, 2004	55,515	(57.8)	52,470	(59.8)	51,188	(57.2)	50,505	(59.5)

Fiscal Year	Net Income Per Share	Net Income per Share (Diluted)	Return on Common Stockholders' Equity	Ordinary Profit on Total Assets	Ordinary Profit on Operating Income
ended March 31, 2005	¥ 38,302.88	¥ 25,178.44	15.5%	7.0%	97.9%
ended March 31, 2004	¥ 3,704.49	¥ 3,690.72	1.6%	1.5%	92.2%

Notes: 1. Average number of common stock outstanding

(a) for the fiscal year ended March 31, 2005: 5,885,899 shares

(b) for the fiscal year ended March 31, 2004: 5,794,588 shares

2. There is no change in accounting methods.

3. Percentage shown in Operating Income, Operating Profit, Ordinary profit and Net Income are the increase (decrease) from the previous year.

##### (2) Dividends (common stock) Please refer to the next page for the information of the preferred stock.

Fiscal Year	Dividends per Share (Annual)			Dividends (Annual)	Dividend Payout Ratio	Ratio of Dividends to Stockholders' Equity
	¥	¥	¥			
ended March 31, 2005	3,000	0.00	3,000	¥ 17,607	7.8%	1.1%
ended March 31, 2004	3,000	0.00	3,000	¥ 17,381	81.0%	1.3%

##### (3) Financial Position

Fiscal Year	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share
March 31, 2005	¥ million 3,795,110	¥ million 3,319,615	87.5%	¥ 257,487.78
March 31, 2004	¥ million 3,403,007	¥ million 3,172,721	93.2%	¥ 232,550.74

Notes: 1. Number of common stock outstanding

(a) as of March 31, 2005: 5,869,288 shares

(b) as of March 31, 2004: 5,793,940 shares

2. Number of treasury stock

(a) as of March 31, 2005: 404,503 shares

(b) as of March 31, 2004: 2,069 shares

#### 2. Earnings Forecast (for the fiscal year ending March 31, 2006)

	Operating Income	Ordinary Profit	Net Income	Dividends per Share (Annual)		
				Interim	Year-End	Year-End
For the six months ending September 30, 2005	¥ million 16,000	¥ million 13,000	¥ million 35,000	¥ 0	¥ -	¥ -
For the fiscal year ending March 31, 2006	¥ million 54,000	¥ million 48,000	¥ million 70,000	¥ -	¥ 3,000	¥ 3,000

(Reference) Forecasted net income per share for the fiscal year ending March 31, 2006 is 6,670.49 yen.

This document contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this document: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.

## Average number of shares outstanding during the fiscal year

	For the Fiscal Year ended March 31, 2005	For the Fiscal Year ended March 31, 2004
Common stock	5,885,899	5,794,588
Preferred stock (type 1)	48,333	67,000
Preferred stock (type 2)	100,000	100,000
Preferred stock (type 3)	738,750	800,000
Preferred stock (1st to 12th series type 4)	50,100	50,100
Preferred stock (13th series type 4)	112,352	114,999
Preferred stock (1st series type 6)	575	–

## Number of shares outstanding at the fiscal year-end

	As of March 31, 2005	As of March 31, 2004
Common stock	5,869,288	5,793,940
Preferred stock (type 1)	35,000	67,000
Preferred stock (type 2)	100,000	100,000
Preferred stock (type 3)	695,000	800,000
Preferred stock (1st to 12th series type 4)	50,100	50,100
Preferred stock (13th series type 4)	107,087	114,999
Preferred stock (1st series type 6)	70,001	–

(Note) Number of shares outstanding changed during the fiscal year ended March 31, 2005 as follows:

		Number of shares issued	Issue price	Capitalized amount
Conversion of Preferred stock (type 1) to Common stock	Common stock	101,362.06	–	–
	Preferred stock (type 1)	(32,000)	–	–
Conversion of Preferred stock (type 3) to Common stock	Common stock	300,343.25	–	–
	Preferred stock (type 3)	(105,000)	–	–
Conversion of Preferred stock (13th series type 4) to Common stock	Common stock	76,076.65	–	–
	Preferred stock (13th series type 4)	(7,912)	–	–
Increase due to issuance of stock	Preferred stock (1st series type 6)	70,001	3,000,000 yen	1,500,000 yen

## Dividends per share and Total Dividends (For the fiscal year ended March 31, 2005)

	Dividends per Share (Annual)			Total Dividends (Annual) ¥ million
	¥	Interim ¥	Year-end ¥	
Common stock	3,000	0	3,000	17,607
Preferred stock (type 1)	10,500	0	10,500	367
Preferred stock (type 2)	28,500	0	28,500	2,850
Preferred stock (type 3)	13,700	0	13,700	9,521
Preferred stock (1st to 12th series type 4)	135,000	0	135,000	6,763
Preferred stock (13th series type 4)	67,500	0	67,500	7,228
Preferred stock (1st series type 6)	728	0	728	50

## Dividends per share and Total Dividends (For the fiscal year ended March 31, 2004)

	Dividends per Share (Annual)			Total Dividends (Annual) ¥ million
	¥	Interim ¥	Year-end ¥	
Common stock	3,000	0	3,000	17,381
Preferred stock (type 1)	10,500	0	10,500	703
Preferred stock (type 2)	28,500	0	28,500	2,850
Preferred stock (type 3)	13,700	0	13,700	10,960
Preferred stock (1st to 12th series type 4)	135,000	0	135,000	6,763
Preferred stock (13th series type 4)	67,500	0	67,500	7,762

## Forecasted annual dividends per share for the fiscal year ending March 31, 2006

	Dividends per Share (Annual)		
	¥	Interim ¥	Year-end ¥
Common stock	3,000	0	3,000
Preferred stock (type 1)	10,500	0	10,500
Preferred stock (type 2)	28,500	0	28,500
Preferred stock (type 3)	13,700	0	13,700
Preferred stock (1st through 12th series type 4)	135,000	0	135,000
Preferred stock (1st series type 6)	88,500	0	88,500

## Calculation for Indices

## (1) Financial Results for the Fiscal Year ended March 31, 2005

## - Return on Common Stockholders' Equity:

$$\frac{\text{Net income} - \text{Preferred stock dividends}}{\{(\text{Stockholders' equity at beginning of year} - \text{Number of preferred stocks outstanding at beginning of year} \times \text{Issue price}) + (\text{Stockholders' equity at year-end} - \text{Number of preferred stocks outstanding at year-end} \times \text{Issue price})\} / 2}} \times 100$$

## - Dividend Payout Ratio:

$$\frac{\text{Common stock dividends}}{\text{Net income} - \text{Preferred stock dividends}} \times 100$$

## - Ratio of Dividends to Stockholders' Equity:

$$\frac{\text{Common stock dividends}}{\text{Stockholders' equity at year-end} - \text{Number of preferred stocks outstanding at year-end} \times \text{Issue price}} \times 100$$

## (2) Forecasted Financial Results for the Fiscal Year ending March 31, 2006

## - Forecasted Net Income per Share:

$$\frac{\text{Forecasted net income} - \text{Forecasted preferred stock dividends}}{\text{Forecasted average number of common stocks outstanding during the year (excluding treasury stock)}}$$

(Note) All of preferred stock (13th series type 4) will be mandatorily converted in July 2005. Forecasted net income per share is calculated assuming that forecasted average number of common stocks outstanding is 6,641,550.

## NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	March 31,			
	2005		2004	
<b>Assets</b>		%		%
<b>Current assets</b>				
Cash and due from banks	44,021		98,159	
Prepaid expenses	21		21	
Deferred tax assets	40		17	
Accrued income	443		424	
Current portion of long-term loans to subsidiaries and affiliates	40,000		–	
Accrued income tax refunds	50,349		12,179	
Other current assets	112		145	
<b>Total current assets</b>	<u>134,989</u>	3.6	<u>110,948</u>	3.3
<b>Fixed assets</b>				
Premises and equipment				
Buildings	0		0	
Equipment	1		–	
<b>Total premises and equipment</b>	<u>2</u>	0.0	<u>0</u>	0.0
<b>Intangible assets</b>				
Software	41		47	
<b>Total intangible assets</b>	<u>41</u>	0.0	<u>47</u>	0.0
<b>Investments and other assets</b>				
Investments in securities	10		76	
Investments in subsidiaries and affiliates	3,656,465		3,246,462	
Long-term loans to subsidiaries and affiliates	–		40,000	
Deferred tax assets	2,997		4,565	
<b>Total investments and other assets</b>	<u>3,659,472</u>	96.4	<u>3,291,105</u>	96.7
<b>Total fixed assets</b>	<u>3,659,517</u>	96.4	<u>3,291,153</u>	96.7
<b>Deferred charges</b>				
Organization cost	603		905	
<b>Total deferred charges</b>	<u>603</u>	0.0	<u>905</u>	0.0
<b>Total assets</b>	<u><u>3,795,110</u></u>	100.0	<u><u>3,403,007</u></u>	100.0
<b>Liabilities</b>				
<b>Current liabilities</b>				
Short-term borrowings	475,000		230,000	
Accounts payable	67		47	
Accrued expenses	286		97	
Income taxes payable	31		1	
Business office taxes payable	5		5	
Reserve for employees bonuses	66		84	
Other current liabilities	36		48	
<b>Total current liabilities</b>	<u>475,494</u>	12.5	<u>230,286</u>	6.8
<b>Total liabilities</b>	<u><u>475,494</u></u>	12.5	<u><u>230,286</u></u>	6.8
<b>Stockholders' equity</b>				
<b>Capital stock</b>	1,352,651	35.7	1,247,650	36.7
<b>Capital surplus</b>				
Capital reserve	1,352,764		1,247,762	
Other capital surplus	499,529		499,510	
Gains on decrease of capital stock and capital reserve	499,503		499,503	
Gains on disposal of treasury stock	25		7	
<b>Total capital surplus</b>	<u>1,852,293</u>	48.8	<u>1,747,273</u>	51.3
<b>Retained earnings</b>				
Voluntary reserve	30,420		30,420	
Special voluntary earned reserves	30,420		30,420	
Unappropriated retained earnings	354,107		148,300	
<b>Total retained earnings</b>	<u>384,527</u>	10.1	<u>178,720</u>	5.2
<b>Treasury stock</b>	<u>(269,857)</u>	(7.1)	<u>(921)</u>	(0.0)
<b>Total stockholders' equity</b>	<u>3,319,615</u>	87.5	<u>3,172,721</u>	93.2
<b>Total liabilities and stockholders' equity</b>	<u><u>3,795,110</u></u>	100.0	<u><u>3,403,007</u></u>	100.0

**NON-CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	Year ended March 31,					
	2005			2004		
			%			%
<b>Operating income</b>						
Dividends on investments in subsidiaries and affiliates	251,735			47,332		
Fees and commissions received from subsidiaries	6,289			7,341		
Interest income on loans to subsidiaries and affiliates	<u>841</u>	258,866	100.0	<u>841</u>	55,515	100.0
<b>Operating expenses</b>						
General and administrative expenses	<u>2,644</u>	<u>2,644</u>	1.0	<u>3,044</u>	<u>3,044</u>	5.5
<b>Operating profit</b>		<u>256,222</u>	99.0		<u>52,470</u>	94.5
<b>Non-operating income</b>						
Interest income on deposits	45			101		
Fees and commissions income	17			9		
Other	<u>70</u>	134	0.0	<u>11</u>	121	0.2
<b>Non-operating expenses</b>						
Interest on borrowings	1,274			874		
Amortization of organization costs	301			301		
Stock issuance costs	788			–		
Fees and commissions expenses	537			206		
Other non-operating expenses	<u>6</u>	<u>2,908</u>	1.1	<u>21</u>	<u>1,403</u>	2.5
<b>Ordinary profit</b>		<u>253,448</u>	97.9		<u>51,188</u>	92.2
<b>Income before income taxes</b>		<u>253,448</u>	97.9		<u>51,188</u>	92.2
Income taxes, current	3			3		
refund	329			–		
deferred	<u>1,545</u>	<u>1,219</u>	0.5	<u>679</u>	<u>683</u>	1.2
<b>Net income</b>		<u>252,228</u>	97.4		<u>50,505</u>	91.0
Unappropriated retained earnings carried forward		101,878			97,298	
Transfer from earned surplus reserve		–			496	
Unappropriated retained earnings at end of year		<u><u>354,107</u></u>			<u><u>148,300</u></u>	

## Significant Accounting Policies for Non-consolidated Financial Statements

1. Valuation of securities  
Investments in subsidiaries and affiliates, and other securities without market value are carried at cost using the moving-average method.
2. Depreciation of fixed assets
  - (1) Premises and equipment  
Premises and equipment owned by Sumitomo Mitsui Financial Group, Inc. (SMFG) are depreciated using the straight-line method for premises and the declining-balance method for equipment.
  - (2) Intangible assets  
SMFG computes depreciation for capitalized software for internal use using the straight-line method over its estimated useful life (five years).
3. Deferred charges  
Stock issuance costs are expensed when they are incurred. Organization cost is recognized as assets and depreciated using the straight-line method over five years pursuant to Article 35 of the Ordinance of the Commercial Code.
4. Reserve  
Reserve for employee bonuses is provided, in provision for payment of bonuses to employees, in the amount of estimated bonuses attributable to this fiscal year.
5. Lease transactions  
Financing leases, excluding those in which the ownership of the property is transferred to the lessee, are accounted for in the same manner as operating leases.
6. Consumption taxes  
National and local consumption taxes are accounted for using the tax-excluded method.

## Additional Information

With the implementation of the "Revision of the Local Tax Law" (Legislation No.9, 2003) on March 31, 2003, a part of the tax basis of enterprise taxes comprises "amount of added value" and "amount of capital" from the fiscal year commenced April 1, 2004. As a result, enterprise taxes that are calculated based on "amount of added value" and "amount of capital" are included in "General and administrative expenses" from this fiscal year pursuant to "Practical Treatment for Presentation of External Based-Corporate Enterprise Taxes in the Statement of Income" (Accounting Standards Board, Practical Solution Report No.12).

## Notes to Non-consolidated Balance Sheet

1. Amounts less than one million yen have been omitted.
2. Accumulated depreciation of premises and equipment was 1 million yen.
3. Current portion of long-term loans to subsidiaries and affiliates are subordinated loans.
4. Assets and liabilities related to transactions with subsidiaries and affiliates are as follows:
 

Deposits	:	44,021 million yen
Short-term borrowings:		475,000 million yen
5. Contingent liabilities  
SMFG has guaranteed the Deposit Protection Fund within the Association of German Banks for the return of up to 50,956 million yen in customers' deposits at SMBC's Düsseldorf Branch.
6. Number of stocks authorized
 

Common stock:	15,000,000 shares
Preferred stock:	1,622,087 shares

  
 Number of stocks issued and outstanding
 

Common stock:	6,273,792.49 shares
Preferred stock:	1,057,188 shares

7. Treasury stock  
Number of treasury stock (common stock) as of year-end is 404,503.97.
8. Under the Articles of Incorporation of SMFG, followings are the maximum amounts of annual cash dividends to preferred shareholders:
- Preferred stock (type 1): 10,500 yen per share
  - Preferred stock (type 2): 28,500 yen per share
  - Preferred stock (type 3): 13,700 yen per share
  - Preferred stock (type 4): Amount to be resolved at meeting of the Board of Directors (Max. 200,000 yen per share)
  - Preferred stock (type 5): Amount to be resolved at meeting of the Board of Directors (Max. 200,000 yen per share)
  - Preferred stock (type 6): Amount to be resolved at meeting of the Board of Directors (Max. 300,000 yen per share)

#### Notes to Non-consolidated Statement of Income

1. Amounts less than one million yen have been omitted.
2. General and administrative expenses include salaries and related expenses of 1,065 million yen, rent and lease expenses of 316 million yen, advertising and publicity expenses of 206 million yen and outsourcing expenses of 563 million yen.
3. Non-operating expenses include interest on borrowings from a subsidiary of 1,274 million yen.

#### Securities

SMFG has no investments in subsidiaries and affiliates that have market value.

#### Tax Effect Accounting

1. Major components of deferred tax assets as of March 31, 2005 were as follows:

	(Millions of yen)
Deferred tax assets	
Stock of subsidiaries	1,196,650
Net operating loss carryforwards	2,997
Other	40
Subtotal	<u>1,199,688</u>
Valuation allowance	<u>(1,196,651)</u>
Deferred tax assets	<u>3,037</u>
Net deferred tax assets	<u><u>3,037</u></u>

2. A reconciliation of the effective income tax rate reflected in the accompanying statement of income to the statutory tax rate for the year ended March 31, 2005 was as follows:

Statutory tax rate	40.69%
[Adjustments]	
Dividends exempted for income tax purposes	<u>(40.21%)</u>
Effective income tax rate	<u><u>0.48%</u></u>

**Per Share Data**

Stockholders' equity per share was 257,487.78 yen.

Net income per share was 38,302.88 yen.

Net income per share (diluted) was 25,178.44 yen.

(Note)

“Net income per share” and “Net income per share (diluted)” are calculated based on the following data.

Net income per share

Net income	252,228	million yen
Amount not attributed to common stockholders	26,781	million yen
[preferred stock dividends]	[26,781]	million yen
Net income attributed to common stock	225,446	million yen
Average number of common stock during the year	5,885,899	shares

Net income per share (diluted)

Adjustment for net income	26,730	million yen
[preferred stock dividends]	[26,730]	million yen
Increase of number of common stock	4,129,724	shares
[preferred stock]	[4,129,631]	shares
[stock acquisition rights]	[92]	shares

**Subsequent Events**

On April 27, 2005, SMFG, Sumitomo Mitsui Card Co., Ltd. (SMCC) and SMBC agreed with NTT DoCoMo, Inc. to form a strategic, business and capital alliance for the launch of a credit-payment service using mobile phones. Pursuant to the agreement, NTT DoCoMo plans to acquire 34% of SMCC's common shares issued and outstanding for approximately 98 billion yen.



## NON-CONSOLIDATED STATEMENTS OF APPROPRIATION OF RETAINED EARNINGS AND OTHER CAPITAL SURPLUS (PROPOSAL)

(Yen)

	Year ended March 31,	
	2005	2004
<b><u>Appropriation of unappropriated retained earnings</u></b>		
Unappropriated retained earnings at end of year	354,107,554,945	148,300,079,330
Retained earnings to be appropriated	44,389,698,788	46,421,255,200
Dividends on preferred stock (type 1) (10,500 yen per share)	367,500,000	703,500,000
Dividends on preferred stock (type 2) (28,500 yen per share)	2,850,000,000	2,850,000,000
Dividends on preferred stock (type 3) (13,700 yen per share)	9,521,500,000	10,960,000,000
Dividends on preferred stock (1st series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (2nd series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (3rd series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (4th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (5th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (6th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (7th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (8th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (9th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (10th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (11th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (12th series type 4) (135,000 yen per share)	563,625,000	563,625,000
Dividends on preferred stock (13th series type 4) (67,500 yen per share)	7,228,372,500	7,762,432,500
Dividends on preferred stock (1st series type 6) (728 yen per share)	50,960,728	-
Dividends on common stock (3,000 yen per share)	17,607,865,560	17,381,822,700
Retained earnings carried forward to next year	309,717,856,157	101,878,824,130
<b><u>Appropriation of other capital surplus</u></b>		
Other capital surplus at end of year	499,529,726,103	499,510,883,420
Other capital surplus to be appropriated	0	0
Other capital surplus carried forward to next year	499,529,726,103	499,510,883,420