



SUMITOMO MITSUI BANKING CORPORATION

I am delighted to speak to you as the new president of Sumitomo Mitsui Banking Corporation (SMBC) and would like to take this opportunity to extend our sincerest thanks for your continued support.

www.smbc.co.jp/global/



Company Name: Sumitomo Mitsui Banking Corporation
Business Profile: Banking
Establishment: June 6, 1996
Head Office: 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo
Employees: 21,020 (as of March 31, 2005)

Network: (as of June 30, 2005)
Domestic: 1,392 locations*
 Branches 472
 (including 28 specialized deposit account branches)
 Subbranches 136
 Offices handling nonbanking business 16
 Automated service centers 768
Overseas: 35 locations
 Branches 17
 Subbranches 3
 Representative offices 15

*Excluding the number of ATMs installed at corporate client facilities and convenience stores

Business Environment

The Japanese financial industry has resolved the non-performing loan problem and significantly reduced cross-shareholdings, two issues that have plagued the industry for many years. In other words, the intensive improvement in asset quality has been accomplished, and the banks are now shifting their focus from dealing with the past to creating the future. Meanwhile, deregulation has steadily advanced, increasing not only business opportunities but also competition with global competitors and companies from other industries.

Fiscal 2004 Earnings Results

In fiscal 2004, we took further steps to reinforce our financial base in order to ensure an earnings recovery from fiscal 2005 onward, including posting credit cost of more than ¥950 billion and taking further financial measures on our securities portfolio, resulting in a net loss. However, we reduced the balance of problem assets (nonperforming loans as defined under the Financial Reconstruction Law) at the end of March 2005 by about ¥1 trillion compared to a year earlier, to ¥1.8246 trillion, for a problem asset ratio of 3.3%, thereby over-achieving the target of halving the level at the end of March 2002.

Meanwhile, though the profit from ALM operations declined, we continued our efforts to improve customer service in consulting business for individuals, new-type unsecured loans to SMEs and investment banking business, and thus, significantly increased the combined gross banking profit of the Consumer Banking Unit, Middle Market Unit and other marketing units.

Fiscal 2005 Business Policy

We were early in focusing on consulting business for individuals and a new type of unsecured loans to SMEs and have gained a competitive edge in these businesses. We will continue to enhance customer

service in these strategic businesses in order to grow profit qualitatively as well as quantitatively. Moreover, the normalization of credit cost will lead to growth in bottom-line profit.

For example, we will enhance the consulting business for individuals by increasing the number of SMBC Consulting Plazas to 65 and boosting the number and ability of consultants. In new-type unsecured loans to SMEs, we have applied the know-how we have gained from *Business Select Loan* to launch a new loan product aimed at larger enterprises in April of this year. We will continue to proactively take steps to meet the funding needs of a wider range of customers.

Forged cash cards, and other crimes using bank accounts, ATMs, and various types of cards, are becoming a social problem. In February of this year, we started issuing IC cash cards, which are difficult to skim data from, to increase card security. We have also developed and evolved our information management framework to better comply with the Personal Information Protection Law. We will continue to strive to enhance the financial security of our customers.

Management Mission

The future that we face will be an age of increasing complexity and rapid changes, but our mission is and will remain “becoming a globally competitive top bank with the highest trust of our customers, our shareholders, the market and society.” There are many issues to be addressed, but our primary focus is “the customer first on all points.” Everyone at SMBC, the directors, officers and employees, will face the challenge of making SMBC into a bank that quickly and accurately provides and executes solutions that answer various customer needs with courage and determination.



Masayuki Oku
President

Business Profile:

- Deposit taking
- Lending
- Securities retail sales and trading
- Securities investment
- Fund transfer
- Foreign exchange
- Insourcing of financial futures transactions
- Corporate bond trustee and custody services
- Trust bank business (money claim trustee services related to asset securitization business)
- Investment trust sales
- Securities intermediary business
- Retail sales of insurance products

■ Consolidated

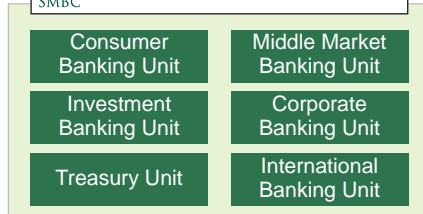
	Billions of yen		
Year ended March 31	2005	2004	2003
For the Year:			
Operating income.....	¥ 2,691.3	¥ 2,717.0	¥ 3,549.9
Operating profit (loss)	(99.7)	282.1	(467.5)
Net income (loss).....	(278.9)	301.6	(429.3)
At Year-End:			
Net assets	¥ 2,633.9	¥ 2,722.1	¥ 2,142.5
Total assets	97,478.3	99,843.2	102,394.6

► Strength as a Group

SMFG's wholly-owned subsidiaries—SMBC, Sumitomo Mitsui Card, SMBC Leasing, and The Japan Research Institute—rank among the top companies in their fields. In addition to strengthening each subsidiary's business, we have been promoting collaboration among these companies to enhance Group profitability.



- No. 2 in number of cardholders among bank-affiliated credit card companies
- In the process of developing strategies to strengthen credit card and consumer finance businesses



- No. 1 in total assets among bank-affiliated leasing companies
- Actively collaborating with SMBC to offer leasing products such as *Select Lease* to SMEs



- One of the leading think-tanks in Japan
- The core IT specialist within the Group, supporting SMFG's business strategy



SUMITOMO MITSUI CARD COMPANY, LIMITED

As the pioneer in the issuance of the Visa Card in Japan and a leader in the domestic credit card industry, Sumitomo Mitsui Card Company, Limited enjoys the strong support of its many customers.

It also plays a major role as one of the strategic businesses of SMFG. Leveraging its strong brand image and its excellent capabilities across a wide range of card-related services, the company meets customers' credit needs through the provision of settlement and financing services.

Sumitomo Mitsui Card's core priority is to provide customers with the most convenient and user-friendly card services, thereby becoming the card provider of choice.



Michiyoshi Kuriyama
President

www.smbc-card.com



★Currently available in Japanese only

Company Name: Sumitomo Mitsui Card Company, Limited
Business Profile: Credit card services
Establishment: December 26, 1967
Head Office:
 Tokyo Head Office: 5-2-10, Shimbashi, Minato-ku, Tokyo
 Osaka Head Office: 4-5-15, Imahashi, Chuo-ku, Osaka
Employees: 1,696 (as of March 31, 2005)

Business Profile:

- **Credit card services**
Shopping services for cardholders; settling accounts with affiliated merchants
- **Credit finance**
Loans to cardholders; cashing services; revolving/installment payments; loan guarantee business
- **Sales promotion**
Issuance of gift certificates; other services for cardholders and affiliated merchants
- **Ancillary businesses**
Payment collection agency services; operational service provider (card issuance, invoicing cardholders, settlement of accounts of other cards)

	Billions of yen		
Year ended March 31	2005	2004	2003
For the Year:			
Revenues from credit card operations.....	¥3,598.7	¥3,258.4	¥3,035.5
Operating revenue	132.1	126.3	122.1
Operating profit	23.1	18.5	16.0
At Year-End:			
Number of cardholders (in thousands).....	13,462	12,758	12,118
Number of merchant outlets (in thousands)	3,089	2,892	2,699



SMBC LEASING COMPANY, LIMITED

SMBC Leasing Company, Limited, and its subsidiaries specialize in providing tailor-made solutions for corporate customers' large-scale capital investment needs. The company and its subsidiaries combine a broad spectrum of leasing products such as energy-saving equipment, commercial real estate properties (shops, factories and warehouses), overseas facilities for Japanese companies expanding abroad, and all types of medical equipment for clinics. In addition, we provide online leasing services, including support for the sales activities of manufacturers and dealers.

SMBC Leasing offers the "Select Lease" service, which is designed to enable a prompt response to the needs of small and medium-sized businesses. The company and its subsidiaries also lease motor vehicles (for personal as well as commercial use), measuring instruments, PCs, and other IT equipment.

In May 2005 we established the subsidiary SMLC Trust Company, Limited to engage in the trust business. This is the first instance in which the subsidiary of a company that is not a financial institution has entered the trust business. By effectively employing trust business models, we hope to bring new dynamism to lease syndication transactions while further enhancing our lineup of services.



Youhei Shiraga
President

www.smbcleasing.co.jp



★Currently in Japanese only

Company Name: SMBC Leasing Company, Limited
Business Profile: Leasing
Establishment: September 2, 1968
Head Office:
Tokyo Head Office: 3-9-4, Nishishimbashi, Minato-ku, Tokyo
Osaka Head Office: 3-10-19, Minamisenba, Chuo-ku, Osaka
Employees: 922 (as of March 31, 2005)

Business Profile:

- **Corporate leasing**
Leasing to meet companies' domestic and overseas capital investment needs
- **Real estate leasing**
Leasing services that enable owners of commercial real estate such as office buildings and warehouses to more effectively utilize their assets
- **Sales-type leasing and product leasing**
Leasing sales promotion tools for manufacturers and dealers
- **Internet leasing**
Effective leasing over the Internet
- **Select Lease**
Speedy leasing to small and medium-sized businesses
- **Leasing of eco-friendly equipment**
Leasing in collaboration with companies providing energy conservation services
- **Car leasing**
Car leasing through SMBC Auto Leasing Company, Limited
- **Rental business**
Renting personal computers and other IT equipment

	Billions of yen		
Year ended March 31	2005	2004	2003
Revenues from leasing operations	¥580.0	¥555.7	¥466.4
Operating revenue	589.1	553.0	515.0
Operating profit	28.0	23.2	20.4



The Japan Research Institute, Limited

The Japan Research Institute, Limited (JRI) is a “knowledge engineering” company that offers comprehensive high value-added services, effectively combining the three functions of information systems integrator, consultant, and think-tank.

Targeting customers in a wide range of sectors, JRI offers consulting services focusing on management innovation and IT-related issues. It also provides services such as the design and development of strategic information systems, as well as outsourcing. In addition, JRI conducts research and analysis of both domestic and overseas economies, formulates policy recommendations, and assists in the incubation of new businesses.



Shunichi Okuyama
President

www.jri.co.jp/english/



Company Name: The Japan Research Institute, Limited
Business Profile: Systems engineering, data processing, and management consulting and economic research
Establishment: November 1, 2002
Head Office:
 Tokyo Head Office: 16, Ichibancho, Chiyoda-ku, Tokyo
 Osaka Head Office: 1-5-8, Shimmachi, Nishi-ku, Osaka
Employees: 2,962 (as of March 31, 2005)

Business Profile:

- **Computer systems development and information processing service**
Design and development of information systems; outsourcing services
- **Consulting business**
Consulting in the fields of management innovation and information technology
- **Think-tank services**
Economic analyses and strategy design; new business incubation

Year ended March 31	Billions of yen		
	2005	2004	2003
Operating revenue.....	¥111.2	¥105.1	¥70.2
Operating profit.....	6.3	7.6	7.6