Notes to Consolidated Interim Financial Statements (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries
Six months ended September 30, 2004

I. Significant Accounting Policies

1. Scope of consolidation

(1) Consolidated subsidiaries: 166 companies

Principal companies:

Sumitomo Mitsui Banking Corporation ("SMBC")
THE MINATO BANK, LTD.
Kansai Urban Banking Corporation
Sumitomo Mitsui Banking Corporation Europe Limited
Manufacturers Bank
SMBC Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
SMBC Capital Co., Ltd.
SMBC Finance Service Co., Ltd.
SMBC Friend Securities Co., Ltd.
The Japan Research Institute, Limited
SMBC Capital Markets, Inc.

From this interim term, eight companies including SMBC Financial Business Planning Co., Ltd. were newly consolidated due to establishment.

From this interim term, Minato Card Co., Ltd. was excluded from the scope of consolidation because it was no longer a subsidiary due to merger.

From this interim term, six companies including SMLC Indus Co., Ltd. became unconsolidated subsidiaries that are not accounted for by the equity method because they became silent partnerships for lease transactions.

(2) Unconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

One hundred and sixteen subsidiaries including S.B.L. Mercury Co., Ltd. are silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they were excluded from the scope of consolidation pursuant to Article 5 Paragraph 1 Item 2 of Consolidated Interim Financial Statements Regulation.

Total assets, ordinary income, net income and retained earnings of other unconsolidated subsidiaries have no material impact on the consolidated interim financial statements.

2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for by the equity method: 4 companies

Principal company:

SBCS Co., Ltd.

(2) Affiliates accounted for by the equity method: 46 companies

Principal companies:

Promise Co., Ltd.
Daiwa Securities SMBC Co. Ltd.
Daiwa SB Investments Ltd.
Sumitomo Mitsui Asset Management Company, Limited
QUOQ Inc.

From this interim term, five companies including Promise Co., Ltd. newly became affiliated companies accounted for by the equity method due to acquirement of shares.

From this interim term, three companies including Sony Bank Incorporated were excluded from the scope of affiliated companies due to decrease in ratio of voting share ownership and other reasons.

(3) Unconsolidated subsidiaries that are not accounted for by the equity method:

One hundred and sixteen subsidiaries including S.B.L. Mercury Co., Ltd. are silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they are not treated as affiliated companies accounted for by the equity method pursuant to Article 7 Paragraph 1 Item 2 of Consolidated Interim Financial Statements Regulation.

(4) Affiliates that are not accounted for by the equity method

Principal company:

Daiwa SB Investments (USA) Ltd.

Net income and retained earnings of other unconsolidated subsidiaries and affiliates that are not accounted for by the equity method have no material impact on the consolidated interim financial statements.

3. The interim balance sheet dates of consolidated subsidiaries

(1) The interim account closing dates of the consolidated subsidiaries are as follows:

March 31:	6 Companies
April 30:	1 Company
June 30:	66 Companies
July 31:	2 Companies
September 30:	91 Companies

(2) As for the companies whose interim balance sheet dates are March 31 and April 30, the accounts are provisionally closed for the purpose of consolidation as of September 30 and July 31, respectively. The other companies are consolidated on the basis of their respective interim balance sheet dates.

Appropriate adjustments were made for material transactions during the periods from their respective interim balance sheet dates to the consolidated interim closing date.

4. Accounting methods

(1) **Standards for recognition and measurement of trading assets/liabilities and trading profits/losses**

Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in "Trading assets" or "Trading liabilities" on the consolidated interim balance sheet on a contract date basis. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading profits" and "Trading losses."

Securities and monetary claims purchased for trading purposes are stated at the interim term-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated interim balance sheet date.

"Trading profits" and "Trading losses" include interest received or paid during the interim term. The valuation differences of securities and money claims between the previous fiscal year-end and this interim term-end are recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the valuation differences between the previous fiscal year-end and this interim term-end are recorded in the above-mentioned accounts.

(2) **Standards for recognition and measurement of securities**

(a) Debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are carried at amortized cost (straight-line method) using the moving-average method.

Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method.

Securities other than trading purpose securities, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as "other securities" (available-for-sale securities). Stocks in other securities that have market prices are carried at the average market prices during the final month of the interim term, and bonds and others that have market prices are carried at their interim term-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities with no available market prices are carried at cost or amortized cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in "Stockholders' equity," after deducting the amount that is reflected in the interim term's earnings because of application of fair value hedge accounting.

(b) Securities included in Money held in trust are carried in the same method as in Notes I. 4. (1) and (2) (a).

(3) **Standards for recognition and measurement of derivative transactions**

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with their local accounting standards.

(4) **Depreciation**

(a) Depreciation of premises, equipment and lease assets

Premises and equipment owned by Sumitomo Mitsui Financial Group, Inc. (SMFG) and SMBC are depreciated using the straight-line method for premises and the declining-balance method for equipment. They calculated the depreciation cost for the interim term by proportionally allocating the estimated annual cost to the interim term. The estimated useful lives of major items are as follows:

Buildings:	7 to 50 years
Equipment:	2 to 20 years

Other consolidated subsidiaries depreciate premises and equipment, and lease assets primarily using the straight-line method over the estimated useful lives of the respective assets and the straight-line method over the lease term based on the residual value of assets at the end of the lease term, respectively.

(b) Depreciation of capitalized software

Capitalized software for internal use owned by SMFG and its consolidated domestic subsidiaries is depreciated using the straight-line method over its estimated useful life (basically five years).

(5) **Reserve for possible loan losses**

Reserve for possible loan losses of major consolidated subsidiaries is provided as detailed below in accordance with the internal standards for write-offs and reserves.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("bankrupt borrowers") or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("effectively bankrupt borrowers"), a reserve is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but are likely to become bankrupt in the future ("potentially bankrupt borrowers"), a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

Discounted Cash Flows (DCF) method is used for claims on borrowers whose cash flows from collection of principals and interest can be rationally estimated and SMBC applies it to claims on large potentially bankrupt borrowers and claims on large borrowers requiring close monitoring that have been classified as "Past due loans (3 months or more)" or "Restructured loans," whose total loans from SMBC exceed a certain amount. SMBC establishes a reserve for possible loan losses using the DCF method for such claims in the amount of the difference between the present value of principal and interest (calculated using the rationally estimated cash flows discounted at the initial contractual interest rate) and the book value.

For other claims, a reserve is provided based on the historical loan-loss ratio.

For claims originated in specific countries, an additional reserve is provided in the amount deemed necessary based on the assessment of political and economic conditions.

Branches and credit supervision departments assess all claims in accordance with the internal rules for self-assessment of assets, and the Credit Review Department, independent from these operating sections, audits their assessment. The reserves are provided based on the results of these assessments.

Reserve for possible loan losses of other consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off was ¥1,774,043 million ($15,975 million).

(6) **Reserve for employee bonuses**

Reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to this interim term.

(7) **Reserve for employee retirement benefits**

Reserve for employee retirement benefits is provided for payment of retirement benefits to employees, in the amount deemed accrued at interim term-end, based on the projected retirement benefit obligation and the fair value of plan assets at this fiscal year-end.

Unrecognized prior service cost is amortized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Unrecognized net actuarial gain (loss) is amortized using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Unrecognized net transition obligation from the initial application of the new accounting standard for employee retirement benefits is amortized primarily using the straight-line method over five years and is charged 50% of the annual amortized cost to its income for the six months ended September 30, 2004.

(8) **Reserve for expenses related to EXPO 2005 Japan**

SMBC accounts for the exhibition expenses related to "The 2005 World Exposition, Aichi, Japan" that will be held in Aichi Prefecture in 2005 as "Reserve for expenses related to EXPO 2005 Japan," which includes the reserve that is stipulated in Article 57-2 of the Specific Taxation Measures Law.

(9) **Other reserves required by special laws**

Other reserves required by special laws are reserve for contingent liabilities from financial futures transactions in accordance with Article 82 of the Financial Futures Transaction Law of ¥18 million ($0 million), and reserve for contingent liabilities from securities transactions in accordance with Article 51 of the Securities and Exchange Law of ¥1,075 million ($10 million).

(10) **Translation of foreign currency assets and liabilities**

SMBC's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen mainly at the exchange rate prevailing at the consolidated interim balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.

Other consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at their respective interim balance sheet dates.

(11) **Accounting method for lease transactions**

Financing leases of SMFG and its consolidated domestic subsidiaries, excluding those in which the ownership of the property is transferred to the lessee, are accounted for in the same method as operating leases.

Standards for recognizing lease-related income on lease transactions and income/expenses on installment sales are as follows:

(a) Recognition of lease-related income on lease transactions
Primarily, lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.

(b) Recognition of income and expenses on installment sales
Primarily, installment-sales-related income and installment-sales-related expenses are recognized on a due-date basis over the full term of the installment sales.

(12) **Hedge accounting**

(a) Hedging against interest rate changes
As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, SMBC applies deferred hedge accounting or fair value hedge accounting.

SMBC applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No.24) to portfolio hedges of large-volume, small-value monetary claims and debts.

As for the portfolio hedges to offset market fluctuation, SMBC assesses the effectiveness of such hedges by classifying the hedged items (such as deposits and loans) and the hedging instruments (such as interest rate swaps) by their maturity. As for the portfolio hedges to fix cash flows, SMBC assesses the effectiveness of such hedges by verifying the correlation between the hedged items and the hedging instruments.

As for the individual hedges, SMBC also basically applies deferred hedge accounting. But, SMBC applies fair value hedge accounting to hedging transactions for reducing the market volatility of bonds classified as other securities that are held for the purpose of Asset and Liability Management.

As a result of the application of JICPA Industry Audit Committee Report No.24, SMBC discontinued the application of hedge accounting or applied fair value hedge accounting to a portion of the hedging instruments using "macro hedge," which had been applied in order to manage interest rate risk arising from large-volume transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives pursuant to "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No.15). The deferred hedge losses and gains related to such a portion of hedging instruments are charged to "Interest income" or "Interest expenses" over a 12-year period (maximum) according to their maturity from the fiscal year ended March 31, 2004. At this interim term-end, gross amounts of deferred hedge losses and gains on "macro hedge" were ¥254,000 million ($2,287 million) and ¥221,851 million ($1,998 million), respectively.

(b) Hedging against currency fluctuations

SMBC applies deferred hedge accounting stipulated in "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No.25) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Audit Committee Report No.25, SMBC assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.

(c) Transactions between consolidated subsidiaries

As for derivative transactions between consolidated subsidiaries or internal transactions between trading accounts and other accounts (or among internal sections), SMBC manages the interest rate swaps and currency swaps that are designated as hedging instruments in accordance with the strict criteria for external transactions stipulated in JICPA Industry Audit Committee Report No.24 and No.25. Therefore, SMBC accounts for the gains or losses that arise from interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

Certain other consolidated subsidiaries use the deferred hedge accounting or the special treatment for interest rate swaps. A consolidated domestic subsidiary (a leasing company) partly applies the accounting method that is permitted by "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry" (JICPA Industry Audit Committee Report No.19).

(13) Consumption tax

National and local consumption taxes of SMFG and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.

(14) Tax effect accounting

On the premise that transfer to and from the reserve for losses on overseas investments will be conducted through appropriation of retained earnings (deficit) at the end of this fiscal year of SMFG and its consolidated domestic subsidiaries, current and deferred income taxes are recorded in the amount corresponding to the consolidated interim term.

5. Scope of "cash and cash equivalents" on consolidated statement of cash flows

For the purposes of the consolidated statement of cash flows, cash and cash equivalents represents cash and due from banks.

Ⅱ. 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, SMFG and its consolidated domestic subsidiaries calculate enterprise taxes based on "amount of added value" and "amount of capital" and they are included in "General and administrative expenses" from this interim term 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).

Ⅲ. Notes to Consolidated Balance Sheet

1. Securities include ¥352,247 million ($3,172 million) of stocks of unconsolidated subsidiaries and affiliates and ¥1,492 million ($13 million) of investments.
2. Japanese government bonds as a sub-account of Securities include ¥16,294 million ($147 million) of unsecured loaned securities for which borrowers have the right to sell or pledge.

As for the unsecured borrowed securities for which SMBC has the right to sell or pledge and the securities which SMBC purchased under resale agreements, that are permitted to be sold or pledged without restrictions, ¥1,579,675 million ($14,225 million) of securities are pledged, and ¥167,303 million ($1,507 million) of securities are held in hand as of the consolidated interim balance sheet date.

3. Bankrupt loans and Non-accrual loans were ¥86,972 million ($783 million) and ¥1,844,061 million ($16,606 million), respectively. These amounts include the trusted amount with The Resolution and Collection Corporation of ¥3,792 million ($34 million), which is treated as off-balancing.

   "Bankrupt loans" are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 of the Japanese Corporate Tax Law (issued in 1965) and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons. "Non-accrual loans" are loans on which accrued interest income is not recognized, excluding "Bankrupt loans" and loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.

4. Past due loans (3 months or more) totaled ¥52,918 million ($477 million).

   "Past due loans (3 months or more)" are loans on which the principal or interest is past due for three months or more, excluding "Bankrupt loans" and "Non-accrual loans."

5. Restructured loans totaled ¥884,745 million ($7,967 million).

   "Restructured loans" are loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers' recovery from financial difficulties, excluding "Bankrupt loans," "Non-accrual loans" and "Past due loans (3 months or more)."

6. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans was ¥2,868,696 million ($25,832 million). This amount includes the trusted amount with The Resolution and Collection Corporation of ¥3,837 million ($35 million), which is treated as off-balancing.

   The amounts of loans presented in 3. to 6. above are the amounts before deduction of reserve for possible loan losses.

7. Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No.24. SMFG's banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value was ¥1,031,613 million ($9,290 million).

8. Assets pledged as collateral were as follows:

September 30, 2004	Millions of yen	Millions of U.S. dollars
Assets pledged		
Cash and due from banks and Deposits with banks	¥ 90,583	$ 816
Trading assets	651,906	5,870
Securities	7,457,751	67,157
Loans and bills discounted	1,465,657	13,198
Other assets (installment account receivable, etc.)	1,030	9
Liabilities corresponding to assets pledged		
Deposits	¥ 10,528	$ 95
Call money and bills sold	3,655,999	32,922
Payables under repurchase agreements	715,530	6,443
Payables under securities lending transactions	4,460,991	40,171
Trading liabilities	125,597	1,131
Borrowed money	3,893	35
Other liabilities	14,617	132
Acceptances and guarantees	149,029	1,342

   In addition, Cash and due from banks and Deposits with banks of ¥50,227 million ($452 million), Trading assets of ¥1,663 million ($15 million), Securities of ¥6,962,079 million ($62,693 million), and Loans and bills discounted of ¥581,956 million ($5,240 million) were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.

   Premises and equipment include surety deposits and intangible of ¥110,928 million ($999 million), and Other assets include initial margins of futures markets of ¥9,216 million ($83 million).

9. Commitment line contracts on overdrafts and loans are agreements to lend to customers up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was ¥34,368,593 million ($309,488 million), and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was ¥30,841,376 million ($277,725 million). Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which SMBC and other consolidated subsidiaries can reject an application from customers or reduce the contract amounts in the event that economic conditions change, SMBC and other consolidated subsidiaries need to secure claims, or other events occur. In addition, SMBC and other consolidated subsidiaries may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers' financial positions, revising contracts when need arises and securing claims after contracts are made.

10. Net amount of deferred unrealized gains (losses) on hedging instruments to which deferred hedge accounting is applied is reported as deferred loss on hedge and is included in "Other assets." Gross deferred unrealized losses and gains on hedging instruments were ¥573,789 million ($5,167 million) and ¥457,780 million ($4,122 million), respectively.
11. SMBC revaluated its own land for business activities in accordance with the "Law Concerning Land Revaluation" (the "Law") effective March 31, 1998 and the law concerning amendment of the Law effective March 31, 2001. The income taxes corresponding to the net unrealized gains are deferred and reported in "Liabilities" as "Deferred tax liabilities for land revaluation," and the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Stockholders' equity."

    Certain other consolidated subsidiaries revaluated their own land for business activities in accordance with the Law. The income taxes corresponding to the net unrealized gains (losses) are deferred and reported in "Liabilities" or "Assets" as "Deferred tax liabilities for land revaluation" or "Deferred tax assets for land revaluation," and the net unrealized gains (losses), net of deferred taxes, are reported as "Land revaluation excess" in "Stockholders' equity."

    Date of the revaluation:

    SMBC: March 31, 1998 and March 31, 2002

    Certain other consolidated subsidiaries: March 31, 1999 and March 31, 2002

    Method of revaluation (stipulated in Article 3-3 of the Law):

    SMBC: Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Article 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law Concerning Land Revaluation (the Enforcement Ordinance No.119) effective March 31, 1998.

    Certain other consolidated subsidiaries: Fair values were determined based on the values stipulated in Article 2-3 and 2-5 of the Enforcement Ordinance No.119.
12. Accumulated depreciation on premises and equipment and accumulated depreciation on lease assets amounted to ¥588,735 million ($5,302 million) and ¥1,550,472 million ($13,962 million), respectively.
13. The balance of subordinated debt included in "Borrowed money" was ¥771,570 million ($6,948 million).
14. The balance of subordinated bonds included in "Bonds" was ¥1,861,560 million ($16,763 million).

IV. Notes to Consolidated Statement of Income

1. "Other income" includes gains on sales of stocks and other securities of ¥65,914 million ($594 million), gains on securities contributed to employee retirement benefit trusts of ¥75,275 million ($678 million), gains on disposal of premises and equipment of ¥2,185 million ($20 million) and collection of written-off claims of ¥485 million ($4 million).
2. "Other expenses" includes write-off of loans of ¥391,236 million ($3,523 million), losses on delinquent loans sold of ¥56,321 million ($507 million), amortized cost of unrecognized net transition obligation from initial application of the new accounting standard for employee retirement benefits of ¥8,938 million ($80 million) and losses on disposal of premises and equipment of ¥10,901 million ($98 million).

V. Lease Transactions

1. Financing leases

A summary of assumed amounts of acquisition cost, accumulated depreciation and net book value for financing leases without transfer of ownership at September 30, 2004 was as follows:

(1) Lessee side

	Millions of yen		
September 30, 2004	Equipment	Other	Total
Acquisition cost	¥9,772	¥472	¥10,244
Accumulated depreciation	5,572	267	5,839
Net book value	¥4,200	¥204	¥ 4,404

	Millions of U.S. dollars		
September 30, 2004	Equipment	Other	Total
Acquisition cost	$88	$4	$92
Accumulated depreciation	50	2	52
Net book value	$38	$2	$40

Future minimum lease payments excluding interests at September 30, 2004 were as follows:

September 30, 2004	Millions of yen	Millions of U.S. dollars
Due within one year	¥1,788	$16
Due after one year	2,760	25
Total	¥4,549	$41

Total lease expenses for this interim term were ¥1,018 million ($9 million).

Assumed depreciation expenses for this interim term amounted to ¥948 million ($9 million).

Assumed depreciation expenses are calculated using the straight-line method over the lease term of the respective assets without salvage values.

The difference between the minimum lease payments and the acquisition costs of the lease assets represents assumed interest expenses. The allocation of such assumed interest expenses over the lease term is calculated using the effective interest method. Assumed interest expenses for this interim term amounted to ¥76 million ($1 million).

(2) **Lessor side**

	Millions of yen		
September 30, 2004	Equipment	Other	Total
Acquisition cost	¥1,920,975	¥588,826	¥2,509,801
Accumulated depreciation	1,216,807	327,019	1,543,827
Net book value	¥ 704,167	¥261,807	¥ 965,974

	Millions of U.S. dollars		
September 30, 2004	Equipment	Other	Total
Acquisition cost	$17,298	$5,303	$22,601
Accumulated depreciation	10,957	2,945	13,902
Net book value	$ 6,341	$2,358	$ 8,699

Future lease payment receivables excluding interests at September 30, 2004 were as follows:

September 30, 2004	Millions of yen	Millions of U.S. dollars
Due within one year	¥314,280	$2,830
Due after one year	657,713	5,923
Total	¥971,993	$8,753

Total lease income for this interim term was ¥205,622 million ($1,852 million).

Depreciation expense for this interim term was ¥166,435 million ($1,499 million).

Assumed interest income represents the difference between the sum of the lease payments receivable and estimated salvage values, and the acquisition costs of the lease assets.

The allocation of such assumed interest income over the lease term is calculated using the effective interest method. Assumed interest income for this interim term was ¥31,891 million ($287 million).

2. Operating leases

(1) **Lessee side**

Future minimum lease payments at September 30, 2004 were as follows:

September 30, 2004	Millions of yen	Millions of U.S. dollars
Due within one year	¥17,172	$155
Due after one year	76,766	691
Total	¥93,939	$846

(2) **Lessor side**

Future lease payment receivables at September 30, 2004 were as follows:

September 30, 2004	Millions of yen	Millions of U.S. dollars
Due within one year	¥ 5,340	$ 48
Due after one year	11,128	100
Total	¥16,468	$148

Future lease payments receivable amounting to ¥86,071 million ($775 million) on the lessor side referred to above 1. and 2. were pledged as collateral for borrowings.

Ⅵ. Others

Amounts less than one million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts. The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at September 30, 2004, which was ¥111.05 to US$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

Ⅶ. Per Share Data

September 30, 2004	Yen	U.S. dollars
Stockholders' equity per share	¥230,491.11	$2,075.56
Net income per share	9,119.40	82.12
Net income per share — diluted	5,245.69	47.24

1. Stockholders' equity per share is calculated by deducting from stockholders' equity the number of preferred stocks issued as of the end of the interim term multiplied by the issue price, divided by the number of common stocks issued at the interim term-end (excluding "treasury stock").
2. Net income per share is calculated by deducting dividends for preferred stock from net income, divided by the weighted average number of shares of common stock, excluding treasury stock outstanding during the interim term.
3. Net income per share (diluted) reflects the potential dilution that could occur if preferred stocks and other contracts to issue common stocks were exercised.

Ⅷ. Subsequent Events (up to December 13, 2004)

SMFG repurchased its own shares on November 2, 2004 pursuant to the resolution of the Board of Directors meeting held on September 30, 2004 as follows:

(1) Type of capital stock repurchased: SMFG's common stock

(2) Total number of shares repurchased: 400,805 shares

(3) Repurchase price: ¥668,000 ($6,015) per share
Total amount: ¥267,737,740,000 ($2,411 million)

(4) Method of repurchase: Through ToSTNet-2 (closing price orders) of Tokyo Stock Exchange

Deposit Insurance Corporation of Japan announced that The Resolution and Collection Corporation (RCC) sold 401,705.31 shares* of SMFG's common stock at ¥268,339,153,590 ($2,416 million) on November 2, 2004.

*RCC converted 32,000 shares of preferred stock (type 1) worth ¥96,000 million ($864 million) and 105,000 shares of preferred stock (type 3) worth ¥105,000 million ($946 million) on September 30, 2004.

IX. Market Value Information

1. Securities

Note: The amounts shown in the following tables include trading securities, commercial paper and short-term corporate bonds classified as "Trading assets," negotiable certificates of deposit bought classified as "Deposits with banks," and commercial paper and beneficiary claims on loan trusts classified as "Commercial paper and other debt purchased," in addition to "Securities" stated in the consolidated interim balance sheet.

(1) Securities classified as trading purposes

September 30, 2004	Millions of yen	Millions of U.S. dollars
Consolidated balance sheet amount	¥1,209,190	$10,889
Valuation losses included in the earnings for the interim term	2,548	23

(2) Bonds classified as held-to-maturity with market value

September 30, 2004	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	¥508,400	¥502,551	¥(5,848)	¥1,684	¥7,533
Japanese local government bonds	—	—	—	—	—
Japanese corporate bonds	—	—	—	—	—
Other	36,235	36,794	558	681	122
Total	¥544,636	¥539,346	¥(5,289)	¥2,365	¥7,655

September 30, 2004	Millions of U.S. dollars				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	$4,578	$4,525	$(53)	$15	$68
Japanese local government bonds	—	—	—	—	—
Japanese corporate bonds	—	—	—	—	—
Other	326	331	5	6	1
Total	$4,904	$4,856	$(48)	$21	$69

Note: Market value is calculated using the market prices at the interim term-end.

(3) Other securities with market value

September 30, 2004	Millions of yen				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 2,035,061	¥ 2,616,748	¥581,686	¥637,425	¥ 55,738
Bonds	13,744,918	13,686,800	(58,118)	18,409	76,527
Japanese government bonds	12,421,472	12,371,625	(49,846)	13,933	63,780
Japanese local government bonds	504,080	497,812	(6,267)	1,094	7,361
Japanese corporate bonds	819,366	817,362	(2,003)	3,381	5,385
Other	4,079,116	4,039,623	(39,492)	8,902	48,395
Total	¥19,859,096	¥20,343,172	¥484,076	¥664,737	¥180,661

September 30, 2004	Millions of U.S. dollars				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	$ 18,326	$ 23,564	$5,238	$5,740	$ 502
Bonds	123,772	123,249	(523)	166	689
Japanese government bonds	111,855	111,406	(449)	125	574
Japanese local government bonds	4,539	4,483	(56)	10	66
Japanese corporate bonds	7,378	7,360	(18)	31	49
Other	36,732	36,376	(356)	80	436
Total	$178,830	$183,189	$4,359	$5,986	$1,627

Notes: 1. Of the total net unrealized gains shown above, ¥22,199 million ($200 million) is included in this term's earnings because of the application of fair value hedge accounting.

2. Stocks are carried on the consolidated balance sheet mainly at their average market prices during the final month of the interim term.
Bonds and others are carried on the consolidated balance sheet at their interim term-end market prices.

3. Other securities with market value are considered as impaired if the market value decreases materially below the acquisition cost and such decline is not considered as recoverable. The market value is recognized as the consolidated interim balance sheet amount and the amount of write-down is accounted for as valuation loss (impaired) for this interim term. Valuation loss (impaired) for this interim term was ¥39 million ($0 million). The rule for determining "material decline" is as follows and is based on the classification of issuing company under self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers:	Market value is lower than acquisition cost.
Issuers requiring caution:	Market value is 30% or more lower than acquisition cost.
Normal issuers:	Market value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt.
Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt.
Potentially bankrupt issuers: Issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy.
Issuers requiring caution: Issuers that are identified for close monitoring.
Normal issuers: Issuers other than the above four categories of issuers.

(4) Held-to-maturity bonds sold during the interim term

There are no corresponding transactions.

(5) Other securities sold during the interim term

	Millions of yen			Millions of U.S. dollars		
Six months ended September 30, 2004	Sales amount	Gains on sales	Losses on sales	Sales amount	Gains on sales	Losses on sales
Other securities	¥16,678,701	¥117,923	¥27,549	$150,191	$1,062	$248

(6) Securities with no available market value

	Millions of yen	Millions of U.S. dollars
September 30, 2004	Consolidated balance sheet amount	Consolidated balance sheet amount
Bonds classified as held-to-maturity		
Unlisted foreign securities	¥ 3,492	$ 31
Other	11,290	102
Other securities		
Unlisted stocks (excluding OTC stocks)	580,961	5,232
Unlisted bonds	1,768,325	15,924
Unlisted foreign securities	394,347	3,551
Other	150,646	1,357

(7) Change of classification of securities

There are no corresponding transactions.

(8) Redemption schedule of other securities with maturities and held-to-maturity bonds

	Millions of yen			
September 30, 2004	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	¥2,927,449	¥ 7,891,459	¥2,987,501	¥2,157,117
Japanese government bonds	2,701,723	5,793,773	2,234,942	2,149,585
Japanese local government bonds	13,233	252,642	231,433	503
Japanese corporate bonds	212,492	1,845,044	521,125	7,028
Other	378,578	2,956,785	417,839	511,709
Total	¥3,306,028	¥10,848,244	¥3,405,341	¥2,668,827

	Millions of U.S. dollars			
September 30, 2004	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	$26,362	$71,062	$26,902	$19,425
Japanese government bonds	24,329	52,173	20,125	19,357
Japanese local government bonds	119	2,275	2,084	5
Japanese corporate bonds	1,914	16,614	4,693	63
Other	3,409	26,626	3,763	4,608
Total	$29,771	$97,688	$30,665	$24,033

2. Money held in trust

(1) Money held in trust classified as trading purposes

There are no corresponding transactions.

(2) Money held in trust classified as held-to-maturity

There are no corresponding transactions.

(3) Other money held in trust

	Millions of yen				
September 30, 2004	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	¥3,628	¥3,783	¥154	¥271	¥116

	Millions of U.S. dollars				
September 30, 2004	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	$33	$34	$1	$2	$1

Note: Consolidated interim balance sheet amount is calculated using the market prices at the interim term-end.

3. Net unrealized gains on other securities and other money held in trust

September 30, 2004	Millions of yen	Millions of U.S. dollars
Net unrealized gains	¥462,018	$4,160
Other securities	461,863	4,159
Other money held in trust	154	1
(–) Deferred tax liabilities	187,970	1,692
Net unrealized gains on other securities (before following adjustment)	274,048	2,468
(–) Minority interests	4,981	45
(+) SMFG's interest in net unrealized gains on valuation of other securities held by affiliates accounted for by the equity method	1,185	11
Net unrealized gains on other securities	¥270,252	$2,434

Notes: 1. Of the total net unrealized gains shown above, ¥22,199 million ($200 million) is included in this term's earnings because of the application of fair value hedge accounting.
2. Net unrealized gains included foreign currency translation adjustments on non-marketable securities denominated in foreign currency.

4. Derivative transactions

(1) Interest rate derivatives

	Millions of yen			Millions of U.S. dollars		
September 30, 2004	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Interest rate futures	¥108,923,645	¥ (4,995)	¥ (4,995)	$ 980,852	$ (45)	$ (45)
Interest rate options	698,705	(57)	(57)	6,292	(1)	(1)
Over-the-counter transactions:						
Forward rate agreements	10,371,517	(1,315)	(1,315)	93,395	(12)	(12)
Interest rate swaps	393,687,431	224,757	224,757	3,545,137	2,024	2,024
Interest rate swaptions	4,942,071	4,760	4,760	44,503	43	43
Caps	11,419,502	(3,700)	(3,700)	102,832	(33)	(33)
Floors	669,925	43	43	6,033	0	0
Other	580,420	6,512	6,512	5,227	59	59
Total	/	¥226,005	¥226,005	/	$2,035	$2,035

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.
Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards. Such transactions are not included in the amounts above. Net unrealized losses amounted to ¥1,754 million ($16 million).

(2) Currency derivatives

September 30, 2004	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions:						
Currency swaps	¥17,436,346	¥ 75,832	¥67,322	$157,013	$683	$606
Currency swaptions	2,010,789	16,647	16,647	18,107	150	150
Forward foreign exchange	45,668,088	9,614	9,614	411,239	87	87
Currency options	5,150,486	(2,005)	(2,005)	46,380	(18)	(18)
Other	2,852	29	29	26	0	0
Total	⁄	¥100,118	¥91,608	⁄	$902	$825

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of income. The amounts above do not include the following:
(a) Derivative transactions to which deferred hedge accounting method is applied;
(b) Those that are allotted to financial assets/liabilities denominated in foreign currency and whose market values are already reflected to the consolidated balance sheet; and
(c) Those that are allotted to financial assets/liabilities denominated in foreign currency and the financial assets/liabilities are eliminated in the process of consolidation.
Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards. Such transactions are not included in the amounts above. Net unrealized losses amounted to ¥164 million ($1 million).

(3) Equity derivatives

September 30, 2004	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Equity price index futures	¥ 1,597	¥ (50)	¥ (50)	$ 14	$ (0)	$ (0)
Equity price index options	110	1	1	1	0	0
Over-the-counter transactions:						
Equity options	34,000	0	0	306	0	0
Equity price index swaps	—	—	—	—	—	—
Other	46,416	1,685	1,685	418	15	15
Total	⁄	¥1,636	¥1,636	⁄	$15	$15

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.

(4) Bond derivatives

September 30, 2004	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Bond futures	¥1,148,958	¥6,188	¥6,188	$10,346	$56	$56
Bond futures options	155,100	492	492	1,397	5	5
Over-the-counter transactions:						
Forward bond agreements	285,136	1,818	1,818	2,568	16	16
Bond options	3,608,653	(8,542)	(8,542)	32,496	(77)	(77)
Total	⁄	¥ (42)	¥ (42)	⁄	$ (0)	$ (0)

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.

(5) Commodity derivatives

September 30, 2004	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions:						
Commodity swaps	¥218,243	¥7,201	¥7,201	$1,965	$65	$65
Commodity options	16,420	231	231	148	2	2
Total	⁄	¥7,432	¥7,432	⁄	$67	$67

Notes: 1. The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.
2. Commodity derivatives are transactions on fuel and metal.

(6) Credit derivative transactions

September 30, 2004	Millions of yen Contract amount	Millions of yen Market value	Millions of yen Valuation gains (losses)	Millions of U.S. dollars Contract amount	Millions of U.S. dollars Market value	Millions of U.S. dollars Valuation gains (losses)
Over-the-counter transactions:						
Credit default options	¥111,843	¥840	¥840	$1,007	$8	$8
Other	1,708	23	23	15	0	0
Total	⁄	¥864	¥864	⁄	$8	$8

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.

X. Segment Information

1. Business segment information

Six months ended September 30, 2004	Banking business	Leasing	Other	Total	Elimination and unallocated corporate assets	Consolidated
	Millions of yen					
Ordinary income						
(1) External customers	¥1,226,811	¥344,806	¥206,554	¥1,778,173	¥ —	¥1,778,173
(2) Intersegment	15,719	10,000	95,613	121,334	(121,334)	—
Total	1,242,531	354,807	302,168	1,899,507	(121,334)	1,778,173
Ordinary expenses	1,210,191	333,222	232,405	1,775,819	(111,747)	1,664,072
Ordinary profit	¥ 32,340	¥ 21,584	¥ 69,763	¥ 123,688	¥ (9,587)	¥ 114,100

Six months ended September 30, 2004	Banking business	Leasing	Other	Total	Elimination and unallocated corporate assets	Consolidated
	Millions of U.S. dollars					
Ordinary income						
(1) External customers	$11,047	$3,105	$1,860	$16,012	$ —	$16,012
(2) Intersegment	142	90	861	1,093	(1,093)	—
Total	11,189	3,195	2,721	17,105	(1,093)	16,012
Ordinary expenses	10,898	3,000	2,093	15,991	(1,006)	14,985
Ordinary profit	$ 291	$ 195	$ 628	$ 1,114	$ (87)	$ 1,027

Notes: 1. The business segmentation is classified based on SMFG's internal administrative purpose.
Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. "Other" includes securities, credit card, investment banking, loans, venture capital, system development and information processing.
3. Ordinary income represents total income excluding gains on disposal of premises and equipment, collection of written-off claims and reversals of other reserves.
Ordinary expenses represent total expenses excluding losses on disposal of premises and equipment, amortization of unrecognized net transition obligation for employee retirement benefits and other extraordinary expenses.

2. Geographic segment information

Six months ended September 30, 2004	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination and unallocated corporate assets	Consolidated
	Millions of yen						
Ordinary income							
(1) External customers	¥1,654,502	¥56,534	¥31,188	¥35,947	¥1,778,173	¥ —	¥1,778,173
(2) Intersegment	21,527	24,310	2,143	12,142	60,123	(60,123)	—
Total	1,676,029	80,844	33,331	48,090	1,838,296	(60,123)	1,778,173
Ordinary expenses	1,609,260	48,580	28,499	31,670	1,718,011	(53,939)	1,664,072
Ordinary profit	¥ 66,768	¥32,264	¥ 4,832	¥16,419	¥ 120,284	¥ (6,184)	¥ 114,100

Six months ended September 30, 2004	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination and unallocated corporate assets	Consolidated
	Millions of U.S. dollars						
Ordinary income							
(1) External customers	$14,899	$509	$281	$323	$16,012	$ —	$16,012
(2) Intersegment	194	219	19	110	542	(542)	—
Total	15,093	728	300	433	16,554	(542)	16,012
Ordinary expenses	14,492	437	257	285	15,471	(486)	14,985
Ordinary profit	$ 601	$291	$ 43	$148	$ 1,083	$ (56)	$ 1,027

Notes: 1. The geographic segmentation is classified based on the degrees of following factors:
geographic proximity, similarity of economic activities and relationship of business activities among regions.
Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. The Americas includes the United States, Brazil, Canada and others; Europe includes the United Kingdom, Germany, France and others; Asia and Oceania includes Hong Kong, Singapore, Australia and others except Japan.
3. Ordinary income represents total income excluding gains on disposal of premises and equipment, collection of written-off claims and reversals of other reserves.
Ordinary expenses represent total expenses excluding losses on disposal of premises and equipment, amortization of unrecognized net transition obligation for employee retirement benefits and other extraordinary expenses.

3. Ordinary income from overseas operations

Six months ended September 30, 2004	Millions of yen	Millions of U.S. dollars
Consolidated ordinary income from overseas operations (A)	¥ 123,670	$ 1,114
Consolidated ordinary income (B)	1,778,173	16,012
(A) / (B)	7.0%	7.0%

Notes: 1. Consolidated ordinary income from overseas operations are presented as counterparts of overseas sales of companies in other industries.
2. The above table shows ordinary income from transactions of overseas branches of SMBC and transactions of overseas consolidated subsidiaries, excluding internal income. These extensive transactions are not categorized by transaction party and the geographic segment information is not presented because such information is not available.

XI. Parent Company

1. Nonconsolidated balance sheets (unaudited)

Sumitomo Mitsui Financial Group, Inc.
September 30, 2004 and 2003, and March 31, 2004

	Millions of yen			Millions of U.S. dollars
	Sept. 30, 2004	Sept. 30, 2003	Mar. 31, 2004	**Sept. 30, 2004**
Assets				
Current assets	**¥ 108,191**	¥ 65,455	¥ 110,948	**$ 974**
Cash and due from banks	**27,259**	61,841	98,159	**245**
Current portion of long-term loans to subsidiaries and affiliates	**40,000**	—	—	**360**
Other current assets	**40,931**	3,613	12,789	**369**
Fixed assets	**3,449,854**	3,291,210	3,291,153	**31,066**
Premises and equipment	**3**	0	0	**0**
Intangible assets	**48**	34	47	**1**
Investments and other assets	**3,449,803**	3,291,175	3,291,105	**31,065**
Investments in subsidiaries and affiliates	**3,446,462**	3,246,072	3,246,462	**31,035**
Long-term loans to subsidiaries and affiliates	**—**	40,000	40,000	**—**
Deferred tax assets	**3,340**	5,102	4,642	**30**
Deferred charges	**754**	1,056	905	**7**
Total assets	**¥3,558,800**	¥3,357,722	¥3,403,007	**$32,047**
Liabilities				
Current liabilities	**¥ 230,761**	¥ 230,228	¥ 230,286	**$ 2,078**
Short-term borrowings	**230,000**	230,000	230,000	**2,071**
Reserve for employees bonuses	**54**	76	84	**1**
Other current liabilities	**706**	151	201	**6**
Total liabilities	**230,761**	230,228	230,286	**2,078**
Stockholders' equity				
Capital stock	**1,247,650**	1,247,650	1,247,650	**11,235**
Capital surplus	**1,747,286**	1,747,263	1,747,273	**15,734**
Capital reserve	**1,247,762**	1,247,762	1,247,762	**11,236**
Other capital surplus	**499,524**	499,501	499,510	**4,498**
Retained earnings	**334,493**	133,044	178,720	**3,012**
Voluntary reserve	**30,420**	30,420	30,420	**274**
Unappropriated retained earnings	**304,073**	102,624	148,300	**2,738**
Treasury stock	**(1,390)**	(463)	(921)	**(12)**
Total stockholders' equity	**3,328,039**	3,127,494	3,172,721	**29,969**
Total liabilities and stockholders' equity	**¥3,558,800**	¥3,357,722	¥3,403,007	**$32,047**

2. Nonconsolidated statements of income (unaudited)

Sumitomo Mitsui Financial Group, Inc.
Six months ended September 30, 2004 and 2003,
and year ended March 31, 2004

	Millions of yen			Millions of U.S. dollars
	Six months ended Sept. 30, 2004	Six months ended Sept. 30, 2003	Year ended Mar. 31, 2004	**Six months ended Sept. 30, 2004**
Operating income	**¥205,265**	¥7,146	¥55,515	**$1,849**
Dividends on investments in subsidiaries and affiliates	**201,285**	3,020	47,332	**1,813**
Fees and commissions received from subsidiaries	**3,558**	3,707	7,341	**32**
Interest income on loans to subsidiaries and affiliates	**420**	419	841	**4**
Operating expenses	**1,312**	1,508	3,044	**12**
General and administrative expenses	**1,312**	1,508	3,044	**12**
Operating profit	**203,953**	5,637	52,470	**1,837**
Nonoperating income	**113**	109	121	**1**
Nonoperating expenses	**947**	712	1,403	**9**
Ordinary profit	**203,119**	5,035	51,188	**1,829**
Income before income taxes	**203,119**	5,035	51,188	**1,829**
Income taxes:				
Current	**1**	1	3	**0**
Refund	**329**	—	—	**3**
Deferred	**1,252**	204	679	**11**
Net income	**¥202,194**	¥4,829	¥50,505	**$1,821**