

Outline of "LEAD THE VALUE" Plan — SMFG's Medium-Term Management Plan

In October 2006, SMFG completed the repayment of public funds, and, in view of major changes in the economic and competitive environment surrounding the Group, launched a medium-term management plan entitled "LEAD THE VALUE" plan covering the three years from fiscal 2007 to fiscal 2009.

In preparing our plan, we reaffirmed that the most important requirement for achieving sustainable growth is to offer customers value that exceeds their expectations and leads customers in directions that help them to create new value. The new plan also reconfirms that SMFG's core strengths are the "Spirit of Innovation," "Speed," and "Solution & Execution," the drivers behind our ability to quickly make strategic businesses profitable. By drawing fully on

the added value inherent in these strengths, we are aiming to be a globally competitive financial services group with the highest trust.

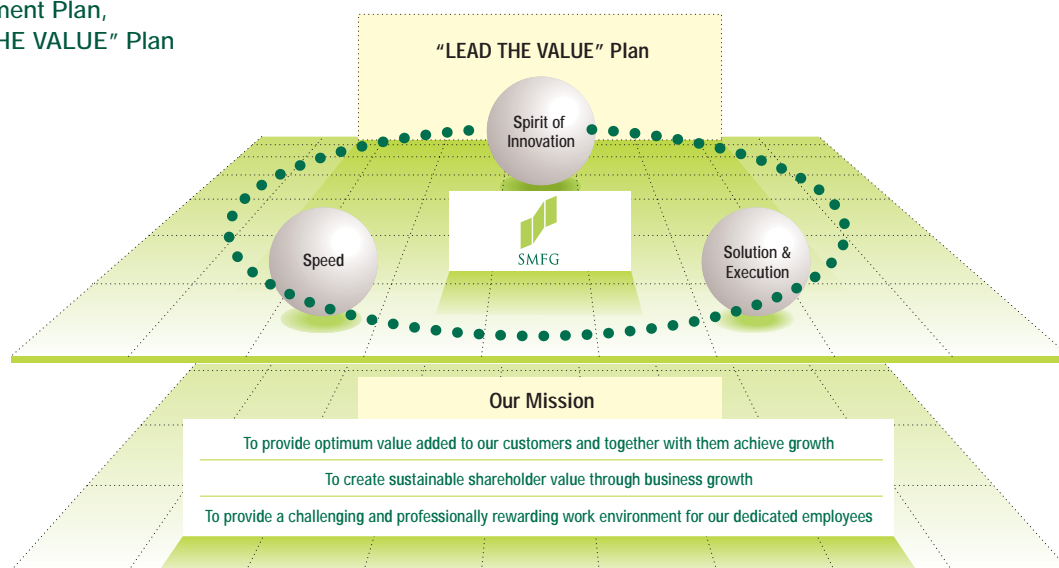
Accordingly, we have set the following targets during the current medium-term management plan:

Aim for top quality in growth business areas,
Realize solid financial base as a global player, and
Increase returns to shareholders.

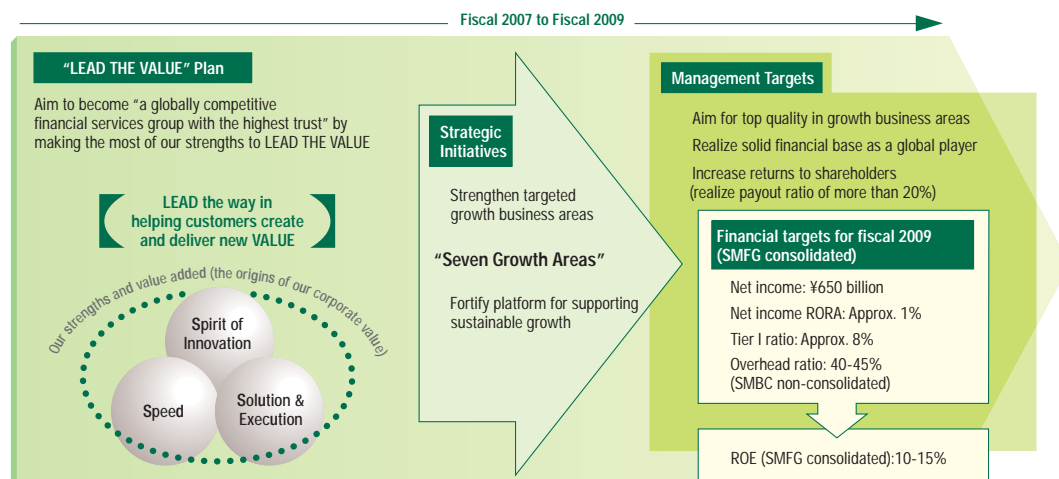
To attain these targets, we are focusing on two strategic initiatives: namely, strengthening targeted growth business areas and fortifying platform for supporting sustainable growth.

Our Objectives under the Medium-Term Management Plan, "LEAD THE VALUE" Plan

"A Globally Competitive Financial Services Group with the Highest Trust"



Outline of "LEAD THE VALUE" Plan



*Financial targets assume that there will be increases in yen policy interest rates of about 0.25% in both fiscal 2007 and fiscal 2008, that nominal GDP will expand at a rate of more than 2% per annum, and that the yen will remain around ¥115 per U.S. dollar.

Concept of Strategic Initiatives in the “LEAD THE VALUE” Plan

SMFG has increased profitability by identifying strategic businesses with strong growth potential at early stages and developed highly productive and efficient proprietary business models to consolidate its position in these business areas. As a result, the quality of our assets has improved substantially, and net income has recovered, enabling us to complete the repayment of public funds in fiscal 2006, about one-and-a-half years earlier than initially planned. Overall, we have made steady progress toward enhancing our profitability and strengthening our financial position.

In parallel with this improvement in performance, however, dramatic changes have reshaped our operating environment, including more-intense competition in the domestic loan market

and a labor shortage. The magnitude of these changes has exceeded the assumptions that formed the basis for the previous management plan. Therefore, to continue our growth in today's competitive environment, going forward, we must be sure that we have an accurate grasp of macroeconomic trends that are likely to bring opportunities for earning profits and competing both in Japan and at the global level. The previous policies of maximizing earnings by restructuring and streamlining our operations are no longer likely to be sufficient. Instead, we must make substantial investments aimed at growth from a medium- to long-term perspective to lay the foundations for sustainable growth. This is why we have identified two key strategic initiatives under our “LEAD THE VALUE” plan: namely, “strengthening targeted growth business areas” and “fortifying platform for supporting sustainable growth.”

Strategic Initiatives under the “LEAD THE VALUE” Plan

