

Conclusion of Basic Agreement for Making Promise a Wholly-owned Subsidiary of Sumitomo Mitsui Financial Group

September 30, 2011

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation
Promise Co., Ltd.



■ Today's Announcement

- Sumitomo Mitsui Financial Group, Inc. (“SMFG”), Sumitomo Mitsui Banking Corporation (“SMBC”) and Promise Co., Ltd. (“Promise”) agreed upon a basic policy for making Promise a wholly-owned subsidiary of SMFG, and entered into a basic agreement (the “Basic Agreement”)

Tender Offer

SMBC will commence a tender offer (the “tender offer”) for shares and other equity securities of Promise (excluding treasury shares owned by Promise, the same shall apply hereafter)

Oct. 18 – Nov. 30, 2011
(scheduled)

Making Promise a wholly-owned subsidiary of SMFG

Based on the result of the Tender Offer, as necessary, SMFG intends to use other means including a share exchange to make Promise a wholly-owned subsidiary of SMFG

Apr. 2012
(scheduled)

Additional provision of interest repayment-related allowance and Third-Party Allotment

Promise will prepare additional provision of the interest repayment-related allowance

2Q, FY3/2012

In order to improve Promise's impaired financial base promptly, SMFG or SMBC will subscribe Promise's shares through Third-Party Allotment with the total amount to be paid as approx. JPY 120 bn

Dec. 26, 2011

Overview of the Tender Offer

- SMBC to launch the Tender Offer for outstanding common stock, etc. of Promise

- Tender Offer Price: JPY 780 per share
- Tender offer period (scheduled): Oct. 18 – Nov. 30, 2011 (30 business days)
- Tender offer settlement date (scheduled): Dec. 7, 2011
- Also targeting Promise's outstanding stock acquisition rights and bonds with stock acquisition rights (CB)
- Promise's board of directors expressed their opinion in favor of the Tender Offer and to recommend that the shareholders of Promise tender their shares in the Tender Offer

- Measures to ensure fairness and appropriateness among each party

- SMFG and SMBC received a fairness opinion from Goldman Sachs Japan Co., Ltd. ("Goldman Sachs"), dated Sep. 30, 2011, to the effect that, as of such date and based upon and subject to certain conditions, including the limitations, assumptions and other matters described in Note on page 10 and thereafter, the Tender Offer Price was fair from a financial point of view to SMFG, parent company of wholly-owned subsidiary SMBC, in the context of the Transactions contemplated by the Basic Agreement (as defined in Note)
- Promise has obtained a financial analysis report and an opinion from Ernst & Young Transaction Advisory Services Co., Ltd. ("E&Y"), which is a third-party appraisal institution, to the effect that the Tender Offer Price is appropriate for its shareholders of common stock other than SMBC to a certain extent from a financial point of view
- Independent third-party committee submitted to Promise a response and opinion to the effect that the conditions for the Tender Offer, including the Tender Offer Price, are appropriate, and it is appropriate for Promise to decide that conditions for the Tender Offer are not unfavorable to the minority shareholders of Promise and thus to express the opinion in favor of the Tender Offer

* Promise's shares outstanding (as of Jun. 30, 2011): 134,866,665 shares, owned by SMBC: 27,926,750 shares (20.71%)

Making Promise a Wholly-owned Subsidiary through Share Exchange

- If SMBC does not acquire all issued shares of Promise through the Tender Offer, SMFG will decide whether to make Promise a wholly-owned subsidiary through Share Exchange
 - However, if the number of shares tendered (or held by shareholders who favors the Share Exchange) has not reached a certain number, the implementation of the Share Exchange shall be postponed or the details of the Share Exchange shall be changed
- Conditions of Share Exchange (scheduled, assuming acquisition of shares through Tender Offer)

- SMFG's common stock will be allocated for shares of Promise
SMFG plans to deliver the shares of SMFG's common stock as consideration for the Share Exchange, upon acquiring such shares through market purchases, etc., before the Share Exchange
- When determining the share exchange ratio, shares of Promise are expected to be valued based on a price equivalent to the Tender Offer Price: JPY 780
- Every shareholder of Promise, to whom not less than one share of SMFG's common stock is allocated, will become a shareholder of SMFG
- Decision about implementation and detail of the Share Exchange by SMFG and Promise: around Feb. 2012
- Effective date of the Share Exchange: around Apr. 2012

※ No increase is expected in outstanding shares of SMFG through new issuance

Additional Provision of Interest Repayment-related Allowance and Third-Party Allotment

- In order to sufficiently prepared for the interest repayments claims, Promise will implement an additional provision of the interest repayment-related allowance

- Additional provision will be implemented since more detailed estimates became available through progress of a data analysis, with respect to the restriction on total credit extensions to borrowers imposed on money lenders, and a filing for corporate reorganization by a major competitor last Sep.

Outstanding interest repayment-related allowance (Promise consolidated):	(JPY bn)		▶	(JPY bn)
	Mar. 31, 11	Jun. 30, 11		Sep. 30, 11 (scheduled)
	238.4	213.6		Approx. 390

- Operating loss, recurring loss and net loss is expected for both 1H and full year, FY3/2012 for both consolidated and non-consolidated

Promise's Earnings forecast	(consolidated) (JPY bn)				(non-consolidated) (JPY bn)			
	May 2011 forecast		Sep. 2011 revised forecast		May 2011 forecast		Sep. 2011 revised forecast	
	1H	FY3/12	1H	FY3/12	1H	FY3/12	1H	FY3/12
Operating income	10.2	22.0	(207.5)	(192.7)	5.7	11.4	(212.5)	(203.9)
Recurring profit	10.0	21.4	(206.6)	(191.4)	5.9	13.7	(212.2)	(201.5)
Net income	8.3	17.5	(208.0)	(195.4)	14.7	22.1	(203.4)	(193.1)

In order to promptly improve its impaired financial base and to enable the promotion of aggressive policies toward future growth strategies

Implementation of the Third-Party Allotment

- Total amount to be paid in: **approx. JPY 120 bn (JPY 531 per share)**
- Payment date: Dec. 26, 2011
- The allottee: SMFG or SMBC

* Promise's consolidated Shareholders' equity (as of Jun. 30, 2011): JPY 170.3 bn

The Background and Purpose of Transactions

- Although the consumer finance business faces a severe business environment, the business still remains a relatively high margin and continuously and steadily profitable business, therefore, SMFG intends to emphasize on the consumer finance business
- Promise is proactively promoting business structure reform in order to establish a solid foundation to realize more effective and high-quality customer service, and making various efforts to expand its operation capability. On the other hand, claims for interest repayments remain a significant constraint on Promise's financial base



- Promise will implement an additional allowance sufficient for risk by addressing the issue of interest repayment. Accordingly, Promise determined that it is necessary to fortify its capital in order to promptly improve its financial base and to enable the promotion of aggressive policies toward future growth strategies
- To strengthen the cooperation between Promise and the SMFG group companies, and to effectively achieve the expansion of the consumer finance business centered on Promise, SMFG and SMBC agreed to promptly improve Promise's financial base through Third-Party Allotment and that SMFG ultimately makes Promise its wholly-owned subsidiary through and after the Tender Offer and, if necessary, Share Exchange

* Promise's consumer loan outstanding (as of Mar. 31, 2011, consolidated):
SMBC's card loan outstanding (originated under the alliance with Promise, as of Mar. 31, 2011):

JPY 879.5 bn
approx. JPY 340 bn

Strategic Rationale for SMFG Group and Promise

SMFG group

- By making Promise a wholly-owned subsidiary to strengthen the cooperation and to establish an infrastructure to nurture prompt and flexible management decision making by entire group, SMFG will further enhance its consumer finance business and will be able to establish a solid profit base at an early stage

Promise

- Becoming a wholly-owned subsidiary of SMFG, more efficient and flexible business management will be possible by further utilizing the management resources of the SMFG group
 - The strengthening of the ability to develop operations by proactive utilization of the SMBC's brand and sales channels
 - The strengthening of overseas business by utilizing SMFG group's global management resources (promotion of development of retail business in Asia through collaboration with SMBC, etc.)
 - The reallocation of the management resources required for procurement of funds or head office functions to sales promotion and so forth (improve efficiency through consolidation of servicer and middle back functions in the group, promotion of sharing credit screening knowhow and various information)

Schedule

2011	Sep. 30 (today)	Conclusion of the Basic Agreement among SMFG, SMBC and Promise
	Oct. 18 - Nov. 30 (scheduled)	Tender offer period
	Dec. 7 (scheduled)	Tender Offer settlement date
	Dec. 26	Third-Party Allotment payment date
2012	around Feb. (scheduled)	Decide the implementation and detail of the Share Exchange between SMFG and Promise
	around Apr. (scheduled)	Effective date of the Share Exchange, if necessary (Promise to become a wholly-owned subsidiary of SMFG)

Disclaimer

This press release contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of SMFG or Promise and their respective management with respect to the future financial condition and results of operations of SMFG or Promise. In many cases but not all, these statements contain words such as “anticipate”, “estimate”, “expect”, “intend”, “may”, “plan”, “probability”, “risk”, “project”, “should”, “seek”, “target” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include the fragility of any economic recovery, both globally and in Japan; ability to successfully implement its business and capital strategy; the success of our business alliances including those in the consumer finance industry; exposure to new risks as we expand the scope of our business; significant credit-related costs; declines in the value of securities portfolio. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. SMFG and Promise undertake no obligation to update or revise any forward-looking statements. Please refer to our most recent disclosure press releases such as annual report or the registration statement on Form 20-F filed with the U.S. Securities and Exchange Commission filed by SMFG, as well as press release for a more detailed description of the risks and uncertainties that may affect financial conditions, operating results, and investors’ decisions of or on SMFG and Promise.

Please note that a person receiving information contained in this press release may be prohibited from purchasing the share certificates and other securities of Promise until twelve (12) hours have elapsed after the announcement of the transaction (the “Transaction”) contained in this press release (the announcement of the Transactions shall be deemed to be made at the time when these Transactions are disclosed through the service for inspection of disclosed information managed by Tokyo Stock Exchange during the afternoon of September 30, 2011) as a primary recipient of information under the insider trading regulations pursuant to the provisions of Paragraph 3 of Article 167 of the Financial Instruments and Exchange Act and Article 30 of the Financial Instruments and Exchange Act Enforcement Order. Should a person be subject to criminal, civil or administrative liability as a result of such purchase mentioned above, neither SMFG, SMCB nor Promise shall assume any responsibility therefor.

This press release shall neither be, nor constitute a part of, an offer to sell or a solicitation thereof or a solicitation of an offer to purchase, any securities. Moreover, neither this press release (or any part thereof) nor the distribution thereof shall not be interpreted to be the basis of any agreement in relation to the Tender Offer, nor otherwise be relied on at the time any such agreement is concluded.

This press release is not a part of the offer for invest in any securities. This press release is for public announcement of the matters in relation to the conclusion of the basic agreement for making Promise a wholly-owned subsidiary of SMFG, and it has not been prepared for the purpose of soliciting investment domestic or overseas.

Since there may be some nations or regions that legally restrict or limit the announcement, issuance or distribution of this press release, you are requested to take note of those restrictions or limitations and comply with any and all laws and regulations of such nations or regions. In nations or regions where the implementation of the Tender Offer is illegal, neither your receipt of this press release nor its translation shall be deemed as a solicitation of an offer to sell or an offer to purchase, the shares in connection with the Tender Offer, but shall be deemed as receipt of information distributed for reference purposes.

All the procedures for the Transactions will be conducted in Japanese, unless provided for otherwise. All or part of the documents for the Transactions will be prepared in English; provided, however, that, if any discrepancy arises between English documents and Japanese documents, Japanese documents shall prevail.

■ Disclaimer

This tender offer is made for the securities of Promise by SMBC, both of which are Japanese companies. It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws in respect of the tender offer, since the tender offeror and target company are located in Japan and all of their officers and directors are residents of Japan. You may not be able to sue the tender offeror and target company or their officers or directors in a Japanese court for violations of the U.S. securities laws. Finally, it may be difficult to compel the tender offeror and target company and their affiliates to subject themselves to a U.S. court's judgment.

The tender offer in which the submission of this document is required is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments Exchange Law of Japan. However, these procedures and standards are not necessarily the same as the corresponding procedures and standards in the United States. In particular, Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended, and the rules prescribed thereunder do not apply to the tender offer, and the tender offer does not conform to those procedures and standards.

Unless otherwise specified, all procedures relating to the tender offer are to be conducted entirely in Japanese. If any portion of the documentation relating to the tender offer is prepared in English and there is any inconsistency between the English documentation and the Japanese documentation, the Japanese documentation will prevail.

The financial advisors to the SMBC and Promise, the tender offer agent, and SMBC (including their respective affiliates), in the ordinary course of their secondary trading businesses, may engage during the tender offer period in the purchase and sale of shares or stock acquisitions rights of the target company for their own account or for their customers' accounts to the extent permitted under Japanese and U.S. securities laws and regulations.

Note

Definition: "Tender Offer Price" means JPY780 in cash to be paid by SMBC for each share of common stock of Promise accepted in the Tender Offer.

The following is a supplemental explanation of the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the preparation of Goldman Sachs' fairness opinion, dated September 30, 2011, with September 29, 2011 as the reference date.

Goldman Sachs and its affiliates (the "Goldman Sachs Group") are engaged in investment banking and financial advisory services, commercial banking, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, the Goldman Sachs Group may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of third parties, SMFG, SMBC, Promise and any of their respective affiliates or any currency or commodity that may be involved in the transactions (the "Transactions") contemplated by the Basic Agreement, dated as of September 30, 2011, by and among SMFG, SMBC and Promise (the "Basic Agreement") for their own account and for the accounts of their customers. Goldman Sachs has acted as financial advisor to SMFG and SMBC in connection with, and have participated in certain of the negotiations leading to, the Transactions. Goldman Sachs expects to receive fees for its services in connection with the Transactions, a principal portion of which is contingent upon consummation of the Transactions, and SMFG and SMBC have agreed to reimburse Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. The Goldman Sachs Group has provided certain investment banking services to SMFG, SMBC and their respective affiliates from time to time for which the Investment Banking Division of the Goldman Sachs Group has received, and may receive, compensation, including having acted as (i) financial advisor to SMFG and SMBC with regard to SMFG's acquisition of Nikko Cordial Securities Inc. and other related businesses in October 2009, (ii) joint global coordinator with regard to SMFG's issuance of 360,000,000 common shares in January 2010, (iii) lead dealer manager and structuring agent for SMFG, SMBC, SMFG Preferred Capital USD 1 Limited and SMFG Preferred Capital GBP 1 Limited with regard to tender offers for euro denominated perpetual subordinated bonds and dollar denominated perpetual subordinated bonds issued by SMBC, dollar denominated non-cumulative perpetual preferred securities issued by SMFG Preferred Capital USD 1 Limited, and sterling denominated non-cumulative perpetual preferred securities issued by SMFG Preferred Capital GBP 1 Limited (aggregate amount of EUR368,635,000 (principal amount basis), USD1,022,747,000 (principal amount basis), USD1,000,859,000 (liquidation preference basis), and GBP426,424,000 (liquidation preference basis), respectively) in February 2010, and (iv) financial advisor to SMFG and SMFG Card & Credit, Inc. ("FGCC") with regard to FGCC's acquisition of a control stake of Cedyne Financial Corporation in May 2010. The Goldman Sachs Group may also in the future provide investment banking services to SMFG, SMBC, Promise and their respective affiliates for which the Investment Banking Division of the Goldman Sachs Group may receive compensation.

Note (Cont'd)

In connection with preparing Goldman Sachs' opinion, Goldman Sachs has reviewed, among other things, the Basic Agreement; the Subscription Agreement (the "Subscription Agreement"), dated as of September 30, 2011, by and between SMFG and Promise; the Annual Securities Reports (Yuka Shoken Hokoku-sho) of Promise for the five fiscal years ended March 31, 2011 and SANYO SHINPAN FINANCE CO., LTD., which merged with Promise on October 1, 2010, for the four fiscal years ended March 31, 2010; the First Quarter Securities Report (Daiichi Shihanki Houkoku-Sho) of Promise for the first fiscal quarter ended June 30, 2011; certain other communications from Promise to its shareholders; certain internal financial analyses and forecasts for Promise prepared by its management; and certain financial analyses and forecasts for Promise prepared by the management of SMFG and SMBC and approved for Goldman Sachs' use by SMFG and SMBC (the "Forecasts"). Goldman Sachs has also held discussions with a member of the senior management of Promise regarding the assessment of Promise of the past and current business operations, financial condition and future prospects of Promise and with a member of the senior management of SMFG and SMBC regarding the assessment of SMFG and SMBC of the past and current business operations, financial condition and future prospects of Promise and the strategic rationale for, and the potential benefits of, the Transactions. In addition, Goldman Sachs has reviewed the reported price and trading activity for the shares of common stock of Promise, compared certain financial and stock market information for Promise with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent tender offers in the Japanese consumer finance industry specifically and in other industries generally, and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of preparing Goldman Sachs' opinion, Goldman Sachs has relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by Goldman Sachs, and Goldman Sachs does not assume any responsibility for any such information. In that regard, Goldman Sachs has assumed with SMFG and SMBC's consent that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of SMFG and SMBC. In addition, Goldman Sachs has not reviewed individual credit files nor has Goldman Sachs made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Promise, SMFG or SMBC or any of their respective subsidiaries and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs is not an expert in the evaluation of credit portfolios for purposes of assessing the adequacy of the reserves for credit losses and interest refunds with respect thereto and, accordingly, Goldman Sachs has relied on estimates provided to Goldman Sachs by the managements of SMFG and SMBC of the adequate amount of such reserves for Promise. Goldman Sachs has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transactions will be obtained without any adverse effect on SMFG, SMBC or Promise or on the expected benefits of the Transactions in any way meaningful to Goldman Sachs' analysis. Goldman Sachs also has assumed that the Transactions, including the Tender Offer and the Third-Party Allotment (each as defined in the Basic Agreement), will be consummated on the terms set forth in the Basic Agreement and the Subscription Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

■ Note (Cont'd)

Goldman Sachs' opinion does not address the underlying business decision of SMFG and SMBC to engage in the Transactions, or the relative merits of the Transactions as compared to any strategic alternatives that may be available to SMFG or SMBC nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to SMFG, as of the date thereof, of the Tender Offer Price to be paid by SMBC in respect of each share of common stock of Promise in the Tender Offer pursuant to the Basic Agreement. Goldman Sachs does not express any view on, and Goldman Sachs' opinion does not address, any other term or aspect of the Basic Agreement, the Subscription Agreement or the Transactions or any term or aspect of any other agreement or instrument contemplated by the Basic Agreement or the Subscription Agreement or entered into or amended in connection with the Transactions, including, without limitation, the Share Exchange (as defined in the Basic Agreement), the Third-Party Allotment, the fairness of the Transactions to, or any consideration received in connection therewith by, SMBC, the holders of any class of securities, creditors, or other constituencies of SMFG and SMBC; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of SMFG, SMBC or Promise, or any class of such persons in connection with the Transactions, whether relative to the Tender Offer Price to be paid by SMBC in respect of each share of common stock of Promise in the Tender Offer pursuant to the Basic Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices at which the shares of common stock of Promise or the shares of common stock of SMFG will trade at any time or as to the impact of the Transactions on the solvency or viability of SMFG, SMBC or Promise or the ability of SMFG, SMBC or Promise to pay their respective obligations when they come due. Goldman Sachs' opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, September 30, 2011 and Goldman Sachs assumes no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date thereof. Goldman Sachs' advisory services and its opinion are provided solely for the information and assistance of the Boards of Directors of SMFG and SMBC in connection with their consideration of the Transactions. Goldman Sachs' opinion does not constitute a recommendation as to whether any holder of shares of common stock of Promise, the stock acquisition rights or bonds with stock acquisition rights should tender their shares, stock acquisition rights or bonds with stock acquisition rights in the Tender Offer or any other matter. Goldman Sachs' opinion has been approved by a fairness committee of The Goldman Sachs Group.