

Deposit Insurance Corporation of Japan



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Statement by the Governor

Disposal of preferred stocks of Sumitomo Mitsui Financial Group, Inc.

1. Sumitomo Mitsui Financial Group, Inc. made the following requests regarding preferred stocks subscribed by RCC in accordance with the Law Concerning Emergency Measures for Early Strengthening of Financial Functions (the “Early Strengthening Law”), through the Resolution and Collection Corporation (RCC) to Deposit Insurance Corporation of Japan (DICJ).

- (1) Redemption of preferred stock
- (2) Exercise of privilege of acquisition claim and disposal of preferred stock issued by Sumitomo Mitsui Financial Group, Inc.

2. DICJ considered these requests based on “Immediate Guideline for disposal of preferred stocks, etc. acquired through Capital Injection with Public Funds” announced in October, 2005, and found it appropriate in view of the followings;

- Soundness of management of the financial institutions
- Avoiding public costs
- Financial system stability

Therefore, DICJ approved today the privilege of acquisition claim and disposal which are to be exercised by RCC as the DICJ considered the transaction was in line with the policy of early disposal under the Early Strengthening Law.

3. It is scheduled that the common stocks of Sumitomo Mitsui Financial Group, Inc. which were issued by privilege of acquisition claim will be purchased by Sumitomo Mitsui Financial Group, Inc. and sold through ToSTNeT-2 (closing stock price dealings).

4. Moreover, the voting right of the common stocks which were issued by privilege of acquisition claim is not subject to be exercised, except for being exercised from the viewpoint of the necessity in lying to the supervision of the financial institutions.

The details are as follows;

- Outline of the Preferred Stocks

Financial institution	Sumitomo Mitsui Financial Group, Inc.
Name of Stocks	Preferred Stock III
Accumulated Total Amount of Issue	800.0 billion yen
Number of Issued Stocks	800,000 stocks
Value Per Stock	1 million yen
Value per Stock Possessed	695.0 billion yen
Number of Stocks Possessed	695,000 stocks

- Outline of the disposal

(1) Redemption of preferred stocks

Name of Stocks	Preferred Stock III
Disposed Book Value	450.0 billion yen
Number of Disposed Stocks	450,000 stocks
Value Per Stock	1,451,200 yen
Accumulated Total Amount of Disposal	653,040,000,000 yen
Scheduled Date of Disposal	September 29, 2006

(2) Exercise of the privilege of acquisition claim

Total Amount of acquisition claim	50 billion
Number of Preferred stocks to be claimed	50,000 stocks
Conversion Price	826,900 yen
Number of common stocks to be Issued	60,466 stocks

(Note) The purchase claim based on the stipulations of the Company Law will be done about the fraction

- Outstanding of each preferred stock after acquisition claim and disposal

Preferred stock I	Preferred stock II	Preferred stock III	Total amount
0 yen (201 billion yen)	0 yen (300 billion yen)	195 billion yen (800 billion yen)	195 billion yen (1,301 billion yen)

(Note1):Each bracket shows amount of initial injection

(Note2):The following stocks were already disposed

Preferred stock I (96 billion yen) and preferred stock III(105 billion yen) : November 2004

Preferred stock I (105 billion yen) and preferred stock II (99 billion yen) : May 2006

Preferred stock II (201 billion yen) : September 2006.

(Note3):The Number of common stocks converted in accordance with the request of exercise of privilege of acquisition claim amounts to 60,466.