

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

Business Alliance between Sumitomo Mitsui Financial Group and Promise

Tokyo, September 27, 2004 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG,” President and CEO: Yoshifumi Nishikawa) and Promise Co., Ltd. (“Promise,” President: Hiroki Jinnai) today signed a business alliance agreement based on the agreement reached on June 21, 2004, to form a strategic alliance in the consumer finance business.

I. Purpose of Strategic Alliance (as announced in June 21, 2004 press release)

The consumer finance business is expected to grow further as it changes significantly in step with the maturing of economy and diversification of consumers’ sense of value and lifestyles. Under such circumstances, SMFG and Promise aim to establish the No. 1 consumer finance business in Japan by providing the best products and services through leveraging their respective resources such as brands, customer base, expertise, and experience.

II. Outline of Business Alliance

Sumitomo Mitsui Banking Corporation (“SMBC”), a wholly-owned subsidiary of SMFG, and Promise will join forces with the aim of providing consumer loan products starting in April 2005 as described below. Under the same timeline, Promise will commence guaranteeing loans to be extended by The Japan Net Bank Limited (“JNB”). Talks on other business alliances between SMFG group companies and Promise are moving forward and the specifics will be decided accordingly.

1. **SMBC-Promise Alliance to Provide Consumer Loan Products**

1.1 **Basic Structure**

1.1.1 SMBC, Promise, and a joint venture (“JV”) to be established by the two companies will provide loan products with interest rates ranging from 8% to 25.55%.

- Promise will guarantee the loans to be extended by SMBC and JV. It will also fully support them from credit screening to credit monitoring and loan collection so that comprehensive credit management can be implemented.

	Interest rate	Collateral, Guarantor
SMBC	8% ~ 12%	Unsecured, Promise
JV	15% ~ 18%	Unsecured, Promise
Promise	18% ~ 25.55%	Unsecured, No guarantor

1.1.2 Customers who do not meet the credit screening criteria of SMBC (or JV) will be introduced to JV (or Promise), should customers so desire.

1.1.3 As a new marketing channel, a new type of automatic contract machine (“ACM”) will be installed at SMBC branches. The new ACMs will handle applications and contracting of loan products of SMBC, JV, and Promise. 400 units of ACMs will be installed at the start of business under the alliance in April 2005. Further, the number of ACMs is scheduled to increase to 580 by March 2006.

1.1.4 The joint venture agreement is expected to be concluded by November 2004, and preparations are being made for an early establishment of JV. Promise and SMBC will own 51% and 49% of JV shares, respectively.

1.2 **Business Plan**

1.2.1 **Loan Balance**

The loan balance three years after the commencement of business under the alliance is expected to comprise as follows.

- SMBC: JPY200 billion
 - JV: JPY200 billion
 - Promise: JPY100 billion
- } JPY500 billion

1.2.2 **Profit**

The business is expected to be in the black by the third year of business and have no cumulative losses by the fourth year.

2. **JNB-Promise Alliance**

2.1 **Guarantee**

Promise will guarantee loans to be newly extended by JNB under its existing loan frameworks (expected to start guaranteeing in April 2005).

2.2 **Internet Settlement**

Promise has an Internet settlement service whereby loan payments can be made over the Internet by transferring money from a bank account (see below). JNB will be added to the list of banks (expected to start service by late December 2004).

Internet settlement service: Promise's Internet branch has a bank selection screen. When a bank is selected, the bank's Internet banking service is automatically accessed so that loan payment amount can be remitted to Promise.

2.3 **Other Alliances**

Talks on other alliances are moving forward and the specifics will be decided accordingly by the end of March 2005.

3. **Alliances between SMFG group companies and Promise**

Talks on alliances between Promise and Sumitomo Mitsui Card Co., Ltd., SAKURA CARD CO, Ltd., SMBC Leasing Co. Ltd., QUOQ Inc. and other SMFG group companies, joint development of small business loans, etc. are moving forward and the specifics will be decided accordingly.

4. **Installation of Promise's Loan Processing Machine at SMBC Branches**

Starting this October, Promise's loan processing machine "*Chosoku*" (super-fast) will be installed at SMBC branches. About 100 units of *Chosoku* will be installed by March 2005, and thereafter, *Chosoku* machines will be gradually replaced by the new ACMs with the new network being expanded.