

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Notice regarding Merger of Consolidated Subsidiary, SMBC Capital

TOKYO, May 13, 2005 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG”) and Sumitomo Mitsui Banking Corporation (“SMBC”) hereby announce that a consolidated subsidiary, SMBC Capital Co., Ltd. (“SMBC Capital,” Head Office: Chuo-ku Tokyo, President: Michihiro Matsuda) today entered into a merger agreement with NIF Ventures Co., Ltd. (“NIF Ventures,” a consolidated subsidiary of Daiwa Securities Group Inc., Head Office: Chuo-ku Tokyo, President: Shinichi Yamamura). The merger was resolved at today’s meeting of the Board of Directors of SMBC Capital, and will be conducted on October 1, 2005, subject to the approval of shareholders’ meeting of each company.

SMBC Capital and NIF Ventures will enhance their ability to find new customers and to support customers by utilizing the venture capital expertise accumulated in the two companies as well as tapping into the broad network and expertise of SMFG Group and Daiwa Securities Group, aiming at becoming the NO.1 venture capital firm in Asia.

To enhance the capital base of the new company, NIF Ventures will issue JPY 10 billion of shares by means of third-party allotment to SMBC, prior to the merger.