

Notice regarding Acquisition and Cancellation of Public Fund Preferred Stock

TOKYO, October 5, 2006 --- Sumitomo Mitsui Financial Group, Inc. (SMFG, President: Teisuke Kitayama) hereby announces that SMFG's Board of Directors resolved at a meeting today to acquire and cancel its Type 3 preferred stock (total issue price: JPY 195 billion) owned by the Resolution and Collection Corporation (RCC) as described below, and obtained approvals of the relevant authorities for the acquisition today.

The acquisition of the preferred stock is to be executed within SMFG's own stock acquisition limit approved at its annual general shareholders' meeting held in June 2006.

In addition, SMFG intends to cancel those shares of the preferred stock upon acquisition.

PARTICULARS

Details of Acquisition and Cancellation

Type 3 Preferred Stock

| | |
|-------------------------------------|---------------------------|
| (1) Number of Shares to Be Acquired | : 195,000 shares |
| (2) Acquisition Price | : JPY 1,139,700 per share |
| (3) Total Amount of Acquisition | : JPY 222,241,500,000 |
| (4) Acquire from | : RCC |
| (5) Acquisition Date (Scheduled) | : October 11, 2006 |

(REFERENCE) Summary of Remaining Public Funds :

1. Preferred Stock

| Type of Preferred Stock | Type 3 Preferred Stock |
|--|-------------------------|
| Original Date of Issue | March 31, 1999 |
| Number of Shares Issued | 800,000 shares |
| Issue Price | JPY 1,000,000 per share |
| Aggregate Amount Issued | JPY 800 billion |
| Number of Shares Outstanding Immediately Prior to This Acquisition | 195,000 shares |
| Aggregate Amount Outstanding Immediately Prior to This Acquisition | JPY 195 billion |

2. In addition to the preferred stock above, 60,466 shares of SMFG common stock are held by RCC. Those common shares were delivered to RCC as a result of the exercise of its right to request acquisition with respect to part of the Type 3 preferred stock (total issue price: JPY 50 billion).

(For details, please refer to the "Notice Regarding Repayment of Public Fund Preferred Stock" dated September 28, 2006.)

This "Notice regarding Acquisition and Cancellation of Public Fund Preferred Stock" is published in order to publicly announce the facts herein described, not to solicit anyone into making any investment in or outside of Japan, nor for any other similar purposes.