

October 2, 2017

Sumitomo Mitsui Banking Corporation
Development Bank of Japan

**Establishment of a Joint Venture Company
for Middle Market Leveraged Loans in the U.S**

TOKYO, October 2, 2017 --- Sumitomo Mitsui Banking Corporation (SMBC, President and CEO: Makoto Takashima) and Development Bank of Japan (DBJ, President: Masanori Yanagi) have established a joint venture company (the "Company", investment ratio: 1:1) which will invest in middle market leveraged loans in the U.S (total investment amount: approximately \$200 million).

SMBC has been expanding its middle market leveraged loan business, which is to provide loans to non-Japanese middle market customers by collaborating with private equity funds, in order to become one of top-tier players in highly profitable product lines, thereby enhancing its capital efficiency as set forth in the SMBC's Medium-Term Management Plan.

DBJ has steadily grown its middle market finance business in Japan and has been also engaged with Japan-related M&A finance individually in foreign countries. In addition, DBJ plans to expand its business overseas by collaborating with financial institutions, as set forth in the DBJ's 4th Medium-Term Management Plan from April 2017.

Through the Company, SMBC and DBJ plan to leverage their combined experience and network to further expand their business and increase market share in the North American M&A market where Japanese companies have recently made frequent investments. In addition, SMBC and DBJ will consider collaborating with other financial institutions by utilizing the same type of program.

This joint venture will provide the framework for the construction of a diversified portfolio which will enable sustainable growth and offer better financial services in closer proximity to clients and investors in North America.