

May 19, 2010

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Notice concerning dissolution of venture capital joint venture with
Daiwa Securities Group Inc.

Sumitomo Mitsui Financial Group, Inc. (President: Mr. Teisuke Kitayama) (hereinafter referred to individually as “SMFG” and together with its subsidiaries and affiliates, referred to collectively as the “SMFG Group”) and Sumitomo Mitsui Banking Corporation (President: Mr. Masayuki Oku) (hereinafter referred to as “SMBC”) hereby announce that SMFG, SMBC and Daiwa Securities Group Inc. (President and CEO: Mr. Shigeharu Suzuki) (hereinafter referred to individually as “Daiwa” and together with its subsidiaries and affiliates, referred to collectively as the “Daiwa Group”) have agreed to terminate their venture capital joint venture (hereinafter referred to as the “Joint Venture”) related to Daiwa SMBC Capital Co., Ltd. (President: Mr. Kazuo Ariake) (hereinafter referred to as “DSCAP”), subject to the completion of procedures required by the relevant governmental authorities.

1. Reason for dissolution of the Joint Venture

In October, 2005, DSCAP was established through the merger between the venture capital subsidiaries of the SMFG Group and the Daiwa Group, i.e. the ex-SMBC Capital Co., Ltd. (hereinafter referred to as “SMBCC”) and the ex-NIF Ventures Co., Ltd. (hereinafter referred to as “NIF”), and since then, DSCAP has strived to meet the needs of its domestic and overseas customers as a new and truly competitive private equity firm.

However, because the recent business environment surrounding the market for new listings has been extremely difficult, the business performance of DSCAP is expected to continue to remain unfavorable.

Taking into consideration the aforementioned change in the outside business environment, SMFG and Daiwa have engaged in discussions to chart the course of the future of the Joint Venture in order to continue to provide our customers with

convenient and high-quality service.

However, during the course of their discussions, SMFG and Daiwa found that they have different views on the venture capital business in the future. Accordingly, SMFG and Daiwa have reached a conclusion that it is better for each of them to develop their own venture capital businesses and have decided to end the Joint Venture amicably, while mutually confirming to continue to maintain an amicable and trusting relationship with each other.

The SMFG Group will continuously develop its venture capital business from the perspective of steadily supporting the development of enterprises, while taking advantage of its group-wide comprehensive ability. Furthermore, as “the partner of growing enterprises”, the SMFG Group will not only meet the capital needs of customers through equity investments, etc., but also support the customers developing their corporate performances and increasing their corporate values by providing comprehensive information in various areas.

2. Specifics of the dissolution of the Joint Venture

The dissolution of the Joint Venture will be implemented by way of a company split and transfer of shares. Each of NS Capital Co., Ltd. (hereinafter referred to as “NSCAP”), a wholly-owned subsidiary of DSCAP⁽¹⁾, and DSCAP will succeed to a portion of assets, liabilities, contracts and employees of the Joint Venture by company split, by way of adjusting the total assets and liabilities (net assets) of NSCAP and DSCAP at a ratio of around 40:60, which corresponds to the respective shareholdings of the SMFG Group and the Daiwa Group. After the company split, shares of NSCAP and DSCAP are expected to be transferred to as described below. The specific succession method of the rights and obligations of the Joint Venture and the capital ties after the dissolution of the Joint Venture are as follows.

⁽¹⁾ As of May 19, 2010.

(1) Succession method of rights and obligations

In order to dissolve the Joint Venture, NSCAP will succeed to a portion of the rights and obligations of the business of DSCAP (hereinafter referred to as the “Company Split”), and after that, the SMFG Group and the outside capital investors are expected to acquire

the shares of NSCAP⁽²⁾ (hereinafter referred to as the “Transaction”). Corporate entities that belong to the Daiwa Group are expected to acquire the shares of DSCAP⁽³⁾.

(2) After the Company Split, NSCAP plans to change its name to “SMBC Venture Capital Co., Ltd.”, and shall hereinafter be referred to as “SMBC Venture Capital” after the dissolution of the Joint Venture.

(3) DSCAP will change its name to “Daiwa Corporate Investment Co., Ltd.” and will be hereinafter referred to as “DCI”.

In principle, the rights and obligations, which will be succeeded to by SMBC Venture Capital, and those, which will be left to DCI, will be determined in the following manner.

(a) Regarding funds in which DSCAP participates as a general partner of unlimited liability partnership

Funds that were created prior to the merger between SMBCC and NIF will be succeeded to by SMBC Venture Capital or DCI, based on the composition of such fund, and either SMBC Venture Capital or DCI, individually, will operate and control such fund.

Funds that were created after the merger between SMBCC and NIF will be succeeded to by SMBC Venture Capital or DCI, based on the current status of managing such funds, and, after the dissolution of the Joint Venture, while SMBC Venture Capital and Daiwa Business Investment will keep cooperation with each other in the management of such funds.

(b) Regarding investments owned by DSCAP on its own account (hereinafter referred to as the “Investments On Its Own Account”)

The Investments On Its Own Account prior to the merger between SMBCC and NIF will be succeeded to by SMBC Venture Capital or DCI, based in principle on its status of ownership as of the date of the merger.

The Investments On Its Own Account after the merger between SMBCC and NIF will in principle be succeeded to by SMBC Venture Capital or DCI as a unit of the equity interest of each investment in light of its relationship with each investee .

(2) Capital ties after the dissolution of the Joint Venture

As stated in (1) above, as a result of the Transaction, while the SMFG Group and the outside capital investors will own the shares of SMBC Venture Capital after the dissolution of the Joint Venture, the SMFG Group will not own any of the shares of DCI, and the capital ties between the SMFG Group and the Daiwa Group with respect to the business of the venture capital joint venture will be liquidated.

Please refer to “Exhibit (2)” attached to the end of this document, which contains a chart describing the capital relationships after the dissolution of the Joint Venture.

3. Schedule

May 19 (Wed), 2010	Execution of the joint venture termination agreement
July 1 (Thu), 2010 (tentative)	Execution of the Company Split, etc., the termination of the Joint Venture agreement, the changing of NSCAP’s name to “SMBC Venture Capital”.

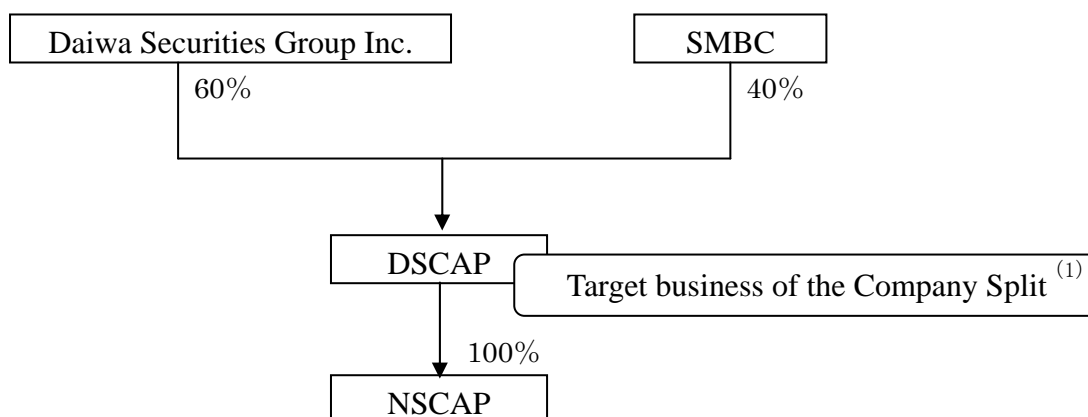
【Exhibit】

(1) Outline of the Joint Venture

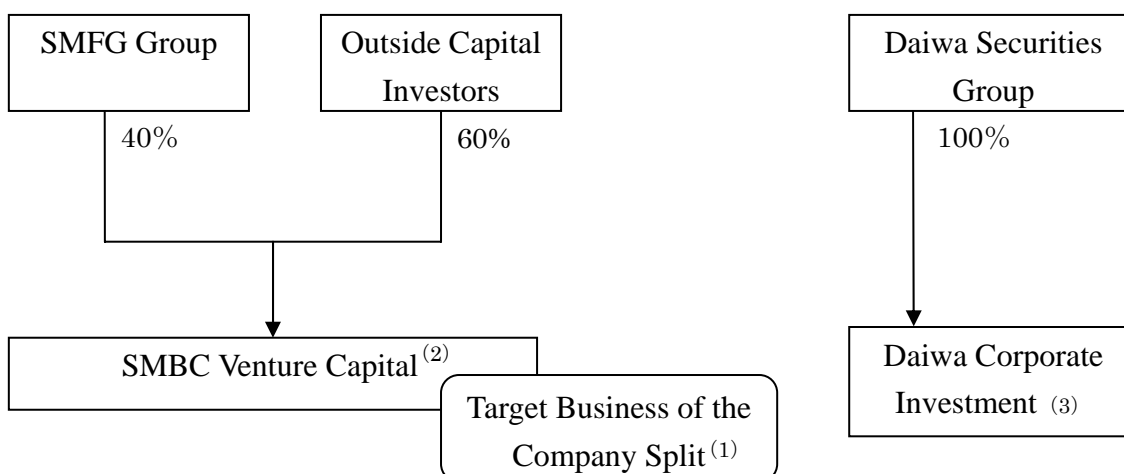
Company Name	Daiwa SMBC Capital Co., Ltd.
Address	8-10, Kudankita 1-chome, Chiyoda-ku, Tokyo
Title and Name of Representative	President and Representative Director, Kazuo Ariake
Description of Business	Venture capital business, buyout investment business
Amount of Capital	JPY 18,767 million
Date of Incorporation	October 20, 1983
Accounting Term	March 31
Net Assets	JPY 17,199 million
Total Assets	JPY 58,444 million
Shareholders and Shareholding	Daiwa Securities Group Inc.: 60%
	Sumitomo Mitsui Banking Corporation : 40%

(2) Chart of capital relationships after dissolution of the Joint Venture

<Currently>



<After dissolution of the Joint Venture >



(1)

DSCAP will split off its business which will be transferred in the Company Split and transfer it to NSCAP as of July 1, 2010.

(2)

NSCAP will change its name to “SMBC Venture Capital Co., Ltd.” as of July 1, 2010 and it is expected that it will become a consolidated subsidiary of SMFG and SMBC.

(3)

DSCAP will change its name to “Daiwa Corporate Investment Co., Ltd.” as of July 1, 2010.