

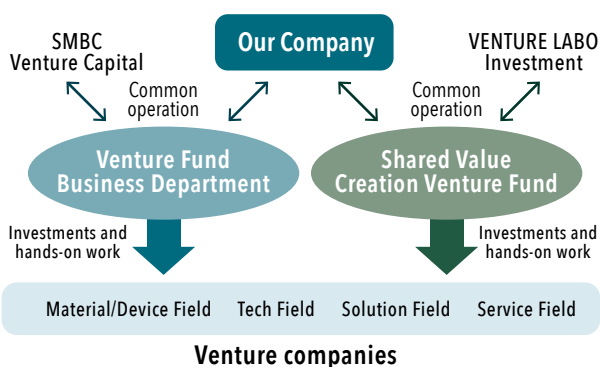


Case 3

Initiatives for venture capital business

In April 2012, our Company launched the Innovative Venture Fund (hereinafter, "IVF"), which we operate in cooperation with SMBC Venture Capital, and we have been tackling investments in and support for technological start-up companies.

This fund has the combined features of the power of the financial solutions of the Sumitomo Mitsui Banking Group and the power of the technological judgment of the NEC Group, and we have invested approximately 2.5 billion yen (as of June 2017) in 19 start-up companies in cutting-edge technological fields. This was our Company's first initiative in our venture investment business, but we were able to accumulate the know-how during our five years of activity. As a result, we started our CSV Venture Fund Limited Liability Partnership in December 2016 as an initiative for further advancing our Company as a venture investment business, and we also started start-up business support for CSV areas which aim to solve social problems with advanced services.



Furthermore, we are also making initiatives for cooperation in open innovation activities promoted by NEC. To be specific, we invested in CYTLIMIC Inc., a drug development venture of immunology medicine that was carved out from NEC in December 2016. This company aims to implement substances discovered with the unique AI (artificial intelligence) technology of NEC as immunology medicine.

Our Company has been investing in the technologies of other companies, but we feel that this project has a major significance as a result of being able to commercialize this technology by our Company funding the research results of NEC. Essentially, the funding for this project is not from the IVF but from our Company. However, it is based on our know-how of venture investments with the IVF. Time is still required for implementing new drugs. However, we think it would be beneficial if we were able to provide solutions for social problems to the world by supporting the participation of the drug development business of NEC.



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