

Acquisition of GE group's leasing business in Japan by SMFL – No Impact on SMFL's Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on acquisition by Sumitomo Mitsui Finance and Leasing Company, Limited ("SMFL")'s of GE group's leasing business in Japan.

- (1) SMFL announced on December 15, 2015 that it had reached an agreement with GE Ireland USD Holdings Unlimited Company, a subsidiary of General Electric Company ("GE"), on the acquisition of GE group's leasing business in Japan, subject to regulatory approval. SMFL will acquire the 3 leasing businesses that are equipment/asset leasing business, small-ticket leasing business and automotive leasing business, of which the earning assets altogether amounted approximately 510 billion yen as of December 31, 2014. The purchase price would be approximately 575 billion yen.
- (2) JCR does not consider that the acquisition will have any particular impact on SMFL's creditworthiness based on the following: (i) The GE group's leasing business to be acquired is relatively small as compared with SMFL's assets and earnings power, and even if a certain amount of risk comes to the surface, such risk can be absorbed by SMFL's periodic income; (ii) SMFL can use its strong fundraising base in the group of Sumitomo Mitsui Financial Group, Inc., a SMFL's shareholder, for the financing of the acquisition. After the completion of the acquisition, JCR will pay attention to an expansion of the automotive leasing and small-ticket leasing businesses, which have growth potential, and the pursuit of SMFL's synergistic effects.

Masamine Nogami, Kiichi Sugiura

<Reference>

Issuer: Sumitomo Mitsui Finance and Leasing Company, Limited

Long-term Issuer Rating: AA- Outlook: Stable

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