

【NEWS RELEASE】

September 2, 2025

Sumitomo Mitsui Banking Corporation

Investment in Commonwealth Fusion Systems LLC

Sumitomo Mitsui Banking Corporation (President & CEO: Akihiro Fukutome, hereinafter "SMBC") has invested in Commonwealth Fusion Systems LLC (hereinafter "CFS"), a US-based start-up company in fusion space. This is the inaugural investment for SMBC in a fusion-related start-up company.

The fusion industry is drawing attention as a disruptive new technology that could supplant existing solutions, given its contributions to decarbonization, the abundance of fuel resources, inherent safety, and stability as a baseload power source.

Whereas demonstrations were previously led primarily by the public and academic sectors, an ecosystem centered on private startups is now taking shape toward commercialization. We view this as a promising candidate for a new industry in which technologically capable Japanese companies can play important roles across the supply chain.

In June 2025, the Cabinet Office of the Government of Japan revised its "Fusion Energy Innovation Strategy," moving the domestic target for a demonstration of fusion power generation from around 2050 to the 2030s, and concrete discussions toward real-world deployment are advancing among industry, government, and academia, which leads to greater momentum toward commercialization.

Sumitomo Mitsui Financial Group, Inc. (President & Group CEO: Toru Nakashima) has set "Create social value" as one of the basic policies in its current Mid-Term Management Plan and designated "Japan's Regrowth" as one of its priority issues. In addition, the "Social Value Creation Investment Fund" (*1) has been established as a framework to support the co-creation and development of businesses with customers and the development of new technologies and industries which contribute to the creation of social value through risk-taking.

CFS is the world's leading and largest private fusion company, utilizing the magnetic confinement system (tokamak type *2). The company announced plans to build the world's first commercial fusion power plant "ARC" in Virginia in the United States, with the intent of commencing operations in the early 2030s.

In order to contribute to the decarbonization of the society and "Japan's Regrowth" through support for the development of new industries, we have invested in CFS using the Social Value Creation Investment Fund.

By leveraging CFS's advance technologies and knowledge in fusion power generation, SMBC aims to take advantage of our customer base and financial solutions to accelerate the establishment of supply chains centered on fusion power reactors.

Furthermore, this investment in CFS is being pursued jointly by a total of twelve Japanese companies (collectively, the "Japanese Consortium" *3). Following the investment, we will continue to deepen our collaboration with the companies of the Japanese Consortium—key players in Japan's industrial base—in the fusion field, thereby contributing to the early commercialization and industrialization of fusion energy power generation in Japan.

[Reference] Overview of Commonwealth Fusion Systems LLC

Establishment	2018
Location	Devens, Commonwealth of Massachusetts, USA
Representative	Bob Mumgaard, CEO
Business Overview	Design and development of fusion reactors
Website	https://cfs.energy/

*1 Social Value Creation Investment Fund

This investment framework was established for the purpose of supporting the co-creation and development of businesses with customers and the development of new technologies and industries which contribute to the creation of social value through risk-taking. The scope of investment has been expanded from that under the former “Sustainability Investment Fund” to cover the five priority issues that SMBC Group should proactively address: “Environment,” “DE&I/Human Rights,” “Poverty & Inequality,” “Declining Birthrate & Aging Population” and “Japan’s Regrowth.” The maximum investment amount of the fund for FY2025 is set at 50 billion yen, an increase of 10 billion yen from the previous fiscal year.

[Reference] Press Release on the Establishment of the Social Value Creation Investment Fund

"Establishment of Expense Budget for Creation of Social Values" (dated May 17, 2024)

(https://www.smfg.co.jp/news_e/pdf/e20240517_01.pdf)

*2 Tokamak type

A torus-shaped fusion energy device that uses a strong magnetic field to confine ultra-high temperature plasma.

*3 The Japanese Consortium

The Japanese Consortium consists of SMBC and eleven Japanese companies, namely MITSUI & CO., LTD., Mitsubishi Corporation, The Kansai Electric Power Co.,Inc., JERA Co., Inc., Mitsui O.S.K. Lines, Ltd., JGC JAPAN CORPORATION, Development Bank of Japan, NTT Inc., Fujikura Ltd., SUMITOMO MITSUI TRUST BANK, LIMITED and Mitsui Fudosan Co., Ltd.

The Japanese Consortium will acquire technical and commercial expertise in policy, regulatory, and the development, construction, operation, and maintenance of ARC from CFS's commercialization projects in the United States. In addition, each consortium will bring together its know-how and expertise and aspire to expedite the commercialization and industrialization of fusion energy power generation in Japan.

The collaboration between the Japanese Consortium and CFS is in line with the Japan – U.S. joint partnership to accelerate the development and commercialization of fusion energy power generation in Japan and the United States, and represents a strong commitment and growing momentum toward the early realization of commercialization in both countries.

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