

October 7, 2014

Daiwa Securities Group Inc.

Issuing of DBJ Green Bond

～DBJ issued Euro-Euro 250 million inaugural green bond～

Daiwa Securities Group announces the issuance of the inaugural EURO 250 million DBJ Green Bond issued by Development Bank of Japan Inc. (“DBJ”) and underwritten by four lead managers including Daiwa Capital Markets Europe Limited. The transaction proceeds will be used to finance loans under management by DBJ which finance a building/development receiving a [DBJ Green Building Certification](#). Detail of the DBJ Green Bond is available at the link below.

<http://www.dbj.jp/en/ir/credit/greenbond/index.html>

This bond is the first green bond in Euro Market issued by a Japanese issuer. The bond pays an annual coupon of 0.25% p.a.. Merrill Lynch International, Morgan Stanley & Co. International plc, Citigroup Global Markets Limited, and Daiwa Capital Markets Europe Limited jointly acted as lead managers of the transaction.

The deal further promotes the DBJ’s sustainable investment offering. The rapidly growing order book reflected the keen interest to the deal representing the market’s commitment to the values of Socially Responsible Investment (“SRI”). Within a short period of time, the order book reached over EURO 750 million attracting strong demand from various investors with an interest in supporting green projects.

The transaction was placed with 26 investors including Fjärde AP Fonden, IKEA group, Municipality Finance Plc, Nordea Funds, Omega Global Investors, Pictet Asset Management and The World Bank. Very strong support came from investors focused on SRI, who bought over 70% of the bonds. The distribution by investor type was as follows: Central Banks and Official Institutions 60%, Fund Managers 15%, Banks 12%, Pension and Insurance companies 6% and Others 7%. In terms of geographical distribution, 40% of the bonds were placed with accounts in Europe followed by US Offshore 25%, Asia & Pacific 18% and Middle East & Africa 17%.

Beginning with antipollution measures implemented in the late 1960s and early 1970s, DBJ has provided more than ¥3 trillion in investments and loans for environmental projects over the past 40 years. DBJ Environmentally Rated Loan Programme was incorporated into DBJ’s repertoire in

fiscal 2004, with a DBJ Green Building Certification following in fiscal 2011. DBJ Green Building Certification is the item for which the proceeds are earmarked (for green buildings with minimum '3 stars' certification), and to which a second party opinion from a certifier (DNV GL) has been affixed.

Christopher Brown, Head of Investment Banking at Daiwa Capital Markets Europe Limited, said “DBJ is to be congratulated on a very successful transaction, launching the first Green Bond by a Japanese borrower, and one with an innovative theme, a combination that attracted a wealth of eager SRI investors. The high level of demand enabled final pricing at the tight end of guidance, and was testament to the considerable investor work undertaken by DBJ prior to launch. An enviable success story, and a fine example for others to follow.”

Daiwa Securities Group actively pursues its commitment to social responsibility by undertaking Impact Investment initiative, and has successfully promoted the initiative through DBJ Green Bond.

Summary Terms of the DBJ Green Bond

Issuer	Development Bank of Japan Inc. (DBJ)
Market	Euro Market
Issue amount	Euro 250 million
Maturity	3 years (due on October 6, 2017)
Coupon	0.250%
Re-offer price	99.634%
Listing	London Stock Exchange PSM
Lead Manager	Merrill Lynch International Morgan Stanley & Co. International plc Citigroup Global Markets Limited Daiwa Capital Markets Europe Limited
Signing date	October 1, 2014
Closing date	October 7, 2014
Bond Rating	Aa3: Moody's, A+: S&P

■ About Development Bank of Japan (DBJ)

DBJ is a financial institution that provides both loans and direct investment and is fully capitalized by the Japanese government. It has offices in various cities across Japan and overseas.

■ About the Daiwa Securities Group

Daiwa Securities Group Inc., founded in 1902, is one of the largest independent and comprehensive securities company in Japan. The Group contributes to the development of society and economy by providing a broad range of financial services worldwide through its global network. The Group's core business includes brokerage, investment banking, asset management, investment, and technology services. Additionally, the Group entered into banking business in 2011. In April 2012, Daiwa Securities, the retail arm of the Group, merged with Daiwa Securities Capital Markets, the wholesale arm.

Operational base of the Group spreads around the world, including Japan, the United States, Europe, and Asia-Oceania. The Group employs near 14,000 personnel worldwide, and its customer asset under custody is approximately JPY50.5 trillion. (All figures are as of the end of Jun.2014)

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