

Attention

This is an unofficial translation of a press release announced on February 1, 2016 by Daiwa Securities Group Inc. The original press release is in Japanese.

February 1, 2016

Press Release

Daiwa Securities Group Inc.

Notice Regarding Making IDI infrastructures Inc. a Subsidiary

We announce as follows that Daiwa Securities Group Inc. (“DSGI”) has made IDI infrastructures Inc. (“IDI-I”), a fund management company which manages energy-infrastructure-focused funds, a subsidiary.

1. Background

Japanese infrastructure industry has been in the middle of the drastic structural reform as shown in the growth strategy “Japan Revitalization Strategy” and its revised edition released by the Japanese government. It is also expected that the various policies, such as promotion of private capital using concession method to public facilities including airports and water and sewer services, launch of listed infrastructure fund market and electricity system reform represented by full liberalization of retail electricity sales, legal unbundling of power transmission/distribution department and removing the regulation for retail tariffs, would further expand business opportunities in this industry.

IDI-I is a fund management company which manages funds uniquely focusing on infrastructure industry and its members are consist of engineers, consultants, bankers and other experts in this industry. In addition, IDI-I, through the managing funds, has been investing tens of billion yen mainly in a PPS (Power Producer and Supplier) and power plants.

In September 2014, DSGI and IDI-I agreed in strategic partnership regarding energy and environment industry and, since then, have been continuing to discuss how to further expand their partnership. Then, DSGI has now agreed with IDI-I that DSGI holds 50.01% of voting rights of IDI-I as a result of the third-party allocation of IDI-I, which makes IDI-I a subsidiary of DSGI. Moreover, another subsidiary of DSGI determined to invest in a new investment fund under IDI-I, mainly focusing on energy industry in Japan.

DSGI believes, by combining its functions as a comprehensive securities group with IDI-I's excellent track record in infrastructure industry, that it will become possible to further enhance ability to provide financial products and solutions satisfying the needs of its clients.

2. Summary of IDI-I (as of December 31, 2015)

Name	IDI infrastructures Inc.
Address	5-11-1 Higashi-Gotanda, Shinagawa-ku, Tokyo, Japan
Date of Establishment	October 15,2007
Representative Director	President, CEO Hiroshi Saitama
Business	Managing investment fund focusing on power, energy and infrastructure industry