



## **NEWS RELEASE**

### **Daiwa Securities Group Inc. to Acquire Sagent Advisors and Signal Hill; Significantly Expands Global M&A Advisory Business**

- **Sagent and Signal Hill to be combined following the closing and subject to regulatory approvals**
- **After combination, the business will be operated under the name “DCS Advisory” in North America, in partnership with Daiwa’s global advisory business**
- **With DCS Advisory, Daiwa’s global advisory business will have more than \$200 million in global advisory revenue and over 200 senior bankers**
- **Daiwa’s advisory business in Asia, DC Advisory in Europe and DCS Advisory will offer clients unparalleled global capabilities with 29 offices operating in 25 countries**

**NEW YORK, NY, July 26, 2017** – Daiwa Securities Group Inc. (“Daiwa”), a premier global financial services company (TSE: 8601), announced it has entered into definitive merger agreements to acquire both Sagent Advisors (“Sagent”) and Signal Hill Holdings LLC (“Signal Hill”), strengthening Daiwa’s global advisory business by combining operations to form a new North American-focused M&A advisory firm to be called “DCS Advisory,” which would be the result of the anticipated post-closing integration and combination of Sagent and Signal Hill.

Under the agreements, an affiliate of Daiwa would acquire the remaining equity interests of Sagent which are not already owned by Daiwa, thereby strengthening the 10-year strategic partnership between the two companies. Daiwa will separately and in conjunction with this agreement acquire Signal Hill, a leading advisory boutique serving the growth economy.

Following the close of the transactions, and subject to all necessary regulatory approvals, Sagent and Signal Hill will combine operations to represent the North American portion of Daiwa’s global advisory business as a single firm to be known as “DCS Advisory,” which will focus on providing quality M&A advice and private capital raising for the companies powering the growth economy. DCS Advisory will operate out of eight offices in the US including Baltimore, Boston, Chicago, Nashville, New York, Northern Virginia and San Francisco, led by senior bankers with deep sector knowledge over a wide breadth of industry verticals.

DCS Advisory will be led by an Operating Committee consisting of two representatives from each of Sagent’s and Signal Hill’s senior management teams. Scott Wieler, the Founder and Chairman of Signal

Hill, will serve as Chairman of DCS Advisory. Joe Donohue and Bill Kohr, Sagent's current Co-Chief Executive Officers, will serve as Co-Presidents of DCS Advisory. Eric Edmondson, a Managing Director of Signal Hill, will serve as Vice Chairman of DCS Advisory. Herald L. Ritch, Founder and Executive Chairman of Sagent, will continue to actively serve in the combined company as Founder.

President and CEO of Daiwa Securities Group, Seiji Nakata, said: "Expanding our company's M&A advisory business continues to be core to our strategic growth. Cross-border M&A involving Japanese corporates has grown significantly over the past 10 years and we believe that this transaction is an excellent opportunity to bolster our global advisory capabilities with two strong and distinguished North American investment banks."

Scott Wieler, Founder and Chairman of Signal Hill, said: "This merger marks an exciting development for our firms. With our complementary industry expertise, common 'client-first' culture, and expanded scale and geographic reach, we can offer clients truly unmatched capabilities and expert guidance. I'm proud of what Signal Hill has achieved on behalf of clients and am looking forward to building DCS Advisory into a leading investment banking advisory firm with a truly global reach."

Joe Donohue and Bill Kohr, Co-Chief Executive Officers of Sagent, said: "As a result of this combination, DCS Advisory will offer an expanded range of industry coverage, with enhanced capability with regard to technology trends impacting a wide variety of sectors. Our broad sector expertise and deep industry knowledge perfectly complements Signal Hill's strong position in advising companies in the growth economy. We are very excited to bring this innovative combination to our clients to offer them preeminent advisory service."

Herald L. Ritch, Founder and Executive Chairman of Sagent said: "Since its founding in 2004, Sagent's top priority has been providing outstanding service to our clients. Joining with Signal Hill and strengthening our partnership with Daiwa will allow us to continue that mission over an even wider breadth of sectors and geographies, as we continue pursuing our objective of helping our clients achieve their most important goals."

The transaction is subject to regulatory approval and other customary closing conditions and is expected to close in the third or fourth quarter of 2017. The contemplated post-closing integration and combination of Sagent and Signal Hill to form DCS Advisory, including the obtaining of necessary regulatory approvals, is generally expected to occur during 2018.

Legal advisors on the transaction included Morrison & Foerster LLP for Daiwa; Gibson, Dunn & Crutcher LLP for Sagent; and DLA Piper (US) LLP for Signal Hill.

#### **About Daiwa Securities Group Inc.**

Daiwa is one of the leading, comprehensive financial service firms in Asia with a 115-year history. It provides a wide range of products and services to individual investors, primarily in Japan, as well as to corporations, financial institutions, governments, municipalities and governmental agencies both inside and outside of Japan. It conducts its business in four segments: the Retail Division, the Wholesale

Division, which comprises of Global Markets and Global Investment Banking, the Asset Management Division and the Investment Division.

#### **About Sagent Advisors**

Sagent Advisors is a leading independent investment bank focused on providing strategic and financial advice on mergers, acquisitions, sales, divestitures and private capital solutions. Sagent's clients include leading domestic and multi-national corporations, middle market and emerging growth companies, private equity sponsors and family-owned and entrepreneur-led businesses. Sagent has completed nearly 200 transactions exceeding \$60 billion in aggregate value across a broad range of industries and transactions types. Sagent provides broad industry and execution expertise through its three offices in New York, Chicago and Tysons Corner.

#### **About Signal Hill**

Signal Hill LLC, along with its affiliate Signal Hill Capital Group (together, "Signal Hill"), is a leading investment banking and advisory boutique serving the M&A and private capital raising needs of growth companies and was named 2016 Boutique Technology Investment Bank of the Year by the Global M&A Network. Signal Hill's experienced bankers provide deep domain expertise and an unyielding commitment to clients in Technology, Media and Telecommunications (TMT) and Services. With more than 600 completed transactions and offices in Baltimore, Boston, Nashville, New York, Reston and San Francisco in the US as well as Bangalore and Mumbai in India, Signal Hill leverages deep strategic industry and financial sponsor relationships to help its clients achieve Greater Outcomes.