

July 30, 2018

Press Release

Daiwa Securities Group Inc.

Attention

This document is an unofficial translation of a press release announced on July 30, 2018 by Daiwa Securities Group Inc. The original press release is in Japanese.

Establishment of Daiwa Energy & Infrastructure Co. Ltd. (DEI)

Daiwa Securities Group Inc. (“Daiwa”) announces that we set out to establish Daiwa Energy & Infrastructure Co. Ltd. (“DEI”) for strengthening the group’s renewable energy business and the expansion in infrastructure business.

Daiwa is going to provide “New Value” as an “Integrated Securities Group with Hybrid Business Model” by leveraging its traditional security business and expanding/strengthening of the external network and fringe businesses, as planned in the new mid-term management plan, “Passion for the Best 2020”, which put into action in FY2018.

We are seeing growing business opportunities in Japan’s energy and infrastructure sector as Japan’s energy and infrastructure sectors are subjects of drastic structural reform. It is illustrated in Japanese government’s “the Basic Policy on Economic and Fiscal Management and Reform 2018”, which set forth, as Japan’s important policy agendas, promoting renewable energy as a main power generation source, creating innovative energy system, and taking strategic countermeasures against aging infrastructures which were extensively developed in Japan’s high-growth period in 1960s.

At the same time, demands for energy and infrastructure are visibly glowing overseas, particularly in emerging markets. It is expected that there will be investment opportunities to leverage Japan’s technologies and expertise in infrastructure developments in emerging markets, and variety of initiatives in the infrastructure sector will be promoted there.

Daiwa has established a certain presence in the energy and infrastructure sectors by the investments through Daiwa PI Partners Co. Ltd., a Daiwa’s group company, in renewable power generations, mostly photovoltaic power generations. And now, Daiwa sets out to establish DEI for strengthening its energy and infrastructure businesses and accelerate the expansion even further.

Daiwa is planning to expand its investments in renewable energies through DEI, and will explore business opportunities in infrastructure assets, including airport, aircraft, seaport, ship, motorway, railway, water and sewage, and natural resources such as forest and power plant fuels. Furthermore, in addition to the developments and operations of those energy and infrastructure assets, Daiwa will keep providing the client investors with “New Value” by engaging in development and sales of financial products backed by energy and infrastructure assets.

DEI’s business activities may also contribute in achievement of the United Nations’ 17 Sustainable Development Goals (SDGs), in particular, Goal 7: Affordable and Clean Energy, Goal 11: Sustainable Cities and Communities, Goal 13: Climate Action, and Goal 15: Life on Land. Daiwa is going to provide “New Value” as an “Integrated Securities Group with Hybrid Business Model” by contributing in achievement of UN’s SDGs through DEI’s business activities.

Summary of Daiwa Energy & Infrastructure Co. Ltd. (DEI)

1. Corporate Name	Daiwa Energy & Infrastructure Co. Ltd.
2. Address	GranTokyo North Tower 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6751, Japan
3. Amount of Capital	JPY 1.0bn (Capital: JPY 0.5bn; Capital Reserve: JPY 0.5bn)
4. Share Holders	Daiwa Capital Holdings Co., Ltd. (Integration and administration affairs for the subsidiaries) : 100%

End