

October 10, 2018

Daiwa Securities Group Inc.

Issuance of DBJ Sustainability Bond

Daiwa Securities Group announces the issuance of DBJ Sustainability Bond issued by Development Bank of Japan Inc. (“DBJ”) and underwritten by Daiwa Capital Markets Europe Limited, Crédit Agricole Corporate and Investment Bank, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc on October 10th, 2018. Sustainability bonds are one type of socially responsible investment (SRI) bonds which have been rapidly growing in issuance amount around the globe. This bond marks the fifth SRI bond issuance by DBJ.

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 50 years. In the fiscal year 2004, DBJ began its DBJ Environmentally Rated Loan Program (“DBJ ERLP”) based on knowledge cultivated for over five decades. In addition, in fiscal year 2011, DBJ introduced the DBJ Green Building Certification (“DBJ GBC”), which is designed to provide financial support for environmental and socially considerate initiatives.

For the purpose to provide financial support for environmental and socially considerate initiatives through DBJ, the net proceeds, or an amount equivalent to the net proceeds, of this bond issuance will be allocated, by way of various financial instruments, exclusively to finance or refinance, in whole or in part, existing and/or future projects or businesses which fall into either of the categories below:

- Companies rated under the DBJ ERLP
- Buildings highly rated under the DBJ GBC
- Buildings, real estate properties, REITs or companies that have a “Green Star” rating under the GRESB Assessment framework
- Renewable energy projects
- Clean transportation projects or companies with clean transportation projects

DBJ has obtained Second Party Opinion from Sustainalytics to confirm that DBJ Sustainability Bond Framework aligns with Green Bond Principles as well as Sustainability Bond Guidelines, in which the International Capital Market Association (ICMA) serves as Secretariat.

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The transaction attracted strong demand from various investors including SRI investors, leading to the issue size of EUR 700 million which is the largest among DBJ's EUR denominated SRI bonds. The distribution by investor type was as follows: Central Banks and Official Institutions 25%, Banks 38%, Asset Managers 20%, Insurances and Pensions 14% and Others 3%. The distribution by geography was as follows: Europe, Middle East, and Africa 62%, Asia & Pacific 36% and the Americas (including US offshore) 2%.

Daiwa Securities Group Inc. ("Daiwa") has proven strong initiatives on addressing social issues and contributing to future development of society through its continuous effort in product development and provision for the past 10 years. On February 16, Daiwa has announced the launch of SDGs Promotion Committee chaired by Seiji Nakata, President and CEO of Daiwa Securities Group Inc. Through the distribution of the Bonds, Daiwa shows its strong commitment and efforts to promote its SDGs goals and provides new investment opportunities to investors in Japan.

Summary Terms of DBJ Sustainability Bond

Issuer	Development Bank of Japan Inc. (DBJ)
Market	Euro Market
Issue amount	EUR 700 million
Maturity	7 years (due on October 10, 2025)
Coupon	0.875%
Re-offer price	99.993%
Listing	Luxembourg Stock Exchange Euro MTF
Lead Manager	Daiwa Capital Markets Europe Limited Crédit Agricole Corporate and Investment Bank J.P. Morgan Securities plc Morgan Stanley & Co. International plc
Closing date	October 10, 2018
Bond Rating	A1: 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 over 16,000 personnel worldwide, and its customer asset under custody is approximately JPY 67.6 trillion. (All figures are as of the end of Jun.2018)

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