

Daiwa Securities Group

Attention

This is an unofficial translation of the press release announced on October 29, 2018 by Daiwa Securities Group Inc. The original press release is in Japanese.

October 29, 2018

Press Release

Daiwa Securities Group Inc.

Issuance of Green Bonds

Daiwa Securities Group Inc. is planning to issue green bonds^(Note1) (The 32nd Series of Unsecured Bonds of Daiwa Securities Group Inc.) as a public offering in the domestic market.(the “Issuance”) Today, we have submitted the amended shelf registration statement to the Director of Kanto Local Finance Bureau on October 29th, 2018.

1. Our Purpose and Background of the Issuance

Daiwa Securities Group 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. Daiwa Securities Group looks on SDGs(The Sustainable Development Goals), adopted by the United Nations in 2015, as overarching goals to lead the world and Daiwa Securities Group Inc. has announced the launch of “SDGs Promotion Committee” chaired by Seiji Nakata, President and CEO of Daiwa Securities Group Inc.

In the medium-term management plan formulated this fiscal year, “Passion for the Best” 2020, Daiwa Securities Group Inc. raises the promotion of SDGs as a foundation of business strategy and aims to create economic value and social value at the same time by solving social challenges through group business.

Moreover, Daiwa Securities Group pledges to contribute to solving environmental issues through its business as a financial service company and establishes “Environmental Principles” and five “Basic Environmental Policies” ^(Note2) as our action plan.

In one of the five “Basic Environmental Policies”, “Make positive environmental contributions through our core business activities”, Daiwa Securities Group seeks to develop and provide financial products and services that promote a low-carbon, recycling-oriented, and symbiotic society.

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The proceeds of the Issuance will be allocated towards investment and lending for Renewable Energy and Green Buildings through Daiwa Securities Group Inc. or consolidate subsidiaries. Daiwa Securities Group will contribute to achieve SDGs and offer various investment opportunities for investors.

2. Outline of the Issuance

Issuer	Daiwa Securities Group Inc.
Maturity	5 years
Amount of Issuance	TBD
Date of Issuance	November 2018 (Scheduled)
Use of Proceeds	Investment and lending for renewable energy Investment and lending for green buildings
Lead Manager	Daiwa Securities Co. Ltd.
Green Bond Structuring Agent ^(Note3)	Daiwa Securities Co. Ltd.

3. Evaluation of Independent Provider of ESG Research and Analysis

Sustainalytics, the independent provider of ESG research and analysis, has provided Second-Party Opinion^(Note4) regarding Daiwa Securities Group's Green Bond Framework. Daiwa Securities Group Inc. has confirmed that the framework aligns with the ICMA's Green Bond Principles 2018^(Note5) and Japan's Green Bond Guidelines 2017^(Note6).

(Note1) Green bonds are bonds that refer to bonds that companies, municipalities and other organizations issue to procure funds exclusively for projects aimed at solving environmental problems ("Green Projects"). The proceeds of the bond are invested in only for green projects and surely traced and managed by the issuer. The transparency is ensured by reporting after issuance.

(Note2) 1. Make positive environmental contributions through our core business activities, 2. Implement an environmental management, 3. Take steps to save natural resources, reduce energy consumption, and promote biodiversity system, 4. Promote environmental communication, 5. Strictly observe environmental regulations

(Note3) Green Bond Structuring Agent supports the issuance of green bonds through the establishment of a Green Bond framework and advice on gain of Second-Party Opinion.

(Note4) Please refer to the below Sustainalytics website for the details of Second-Party Opinion.

<https://www.sustainalytics.com/green-bond-second-party-opinions/>

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(Note5) Green Bond Principles is the guideline regarding Green Bond Issuance written by Green Bond Principles Executive Committee which is facilitated by ICMA (International Capital Market Association). The guideline is composed of four elements which are use of proceeds, project evaluation and selection process, management of proceeds, and reporting.

(Note6) Ministry of the Environment Government of Japan has established the “Green Bond Guidelines 2017” in March 2017 with the purpose of spurring issuances of Green Bonds and investments in Japan. The Guidelines, with due consideration to the consistency with the GBP, which is widely accepted in the Green Bond markets in the world, provide issuers, investors and other market participants with illustrative examples of specific approaches and interpretations tailored to the characteristics of the Japan's bond market which will aid these market participants to make decisions on working-level matters related to Green Bonds.

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