

October 29, 2018

Press Release

Daiwa Securities Group Inc.

Attention

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

Establishment of Daiwa Food & Agriculture Co. Ltd

Daiwa Securities Group Inc. (“Daiwa”) announces that we set out to establish Daiwa Food & Agriculture Co. Ltd (“DFA”) for strengthening the group’s capability in food and agriculture 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 medium-term management plan, “Passion for the Best 2020”, which was put into action from April 2018.

It is estimated that the number of undernourished people amounts 815 million in the world today (based on FAO, 2016) and it has been a global challenge to solve the starvation through the enhancement of food productivity and distribution. In the midst of the low level of food self-sufficiency compared to that of other countries, aging of the agricultural labor force and the lack of successor due to the apparent decrease of entrants in the sector cast a major issue in the future of agriculture and food in Japan.

Daiwa sets out to establish DFA to solve the social issue in agriculture and food sector by providing its resources (including provision and intermediary function of risk money, vast network between companies in and out of Japan and individual customers, and information technology, etc.). DFA strives to drive the industrialization of agriculture through cooperating with market participants, providing fund for incubation, developing technology such as ICT, and establishing own new agriculture business in the primary industry (agriculture) and the secondary and tertiary industry (food).

In addition, by making the initiatives as model cases, Daiwa plans to contribute to solve the global social issues by deploying the expertise overseas leveraging our international network.

The initiatives of DFA may also contribute in achievement of the United Nations' 17 Sustainable Development Goals (SDGs), in particular, Goal 2: Zero Hunger, Goal 12: Responsible Consumption and Production, and Goal15: Life on Land.

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. Daiwa has announced the launch of "SDGs Promotion Committee" chaired by Seiji Nakata, President and CEO of Daiwa Securities Group Inc. Daiwa Securities Group will provide "New Value" as an "Integrated Securities Group with Hybrid Business Model" by contributing in achievement of UN's SDGs.

Summary of Daiwa Food & Agriculture Co. Ltd

(1) Corporate Name	Daiwa Food & Agriculture Co. Ltd
(2) Address	9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6751, Japan
(3) Amount of Capital	JPY0.2 billion (Including Capital Reserve)
(4) Share Holders	Daiwa Securities Group Inc. 100%

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