

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.

Announcement of acquisition of Daiwa ACA HealthCare Inc. and Capital and Business Partnership with ACA Investments Pte Ltd

Daiwa Securities Group Inc. (“Daiwa”) announces that we set out to acquire shares outstanding of ACA HealthCare Inc. through a third-party allotment, making ACA HealthCare Inc. a subsidiary of Daiwa, and acquire 34% of shares outstanding of ACA Investments Pte Ltd and form a capital and business partnership with ACA Investments Pte Ltd.

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.

We are seeing growing business opportunities in Japan’s healthcare business. As stated in “Future Investment Strategy 2018 – “Society 5.0”“Improvement of common infrastructure of data-driven society””, published by Japanese Government, we expect the rapid growth of population over 85 years old and dementia in our society and the government will implement various measures, corresponding with the rapid growth of needs in nursing care, enhancement of investment in precaution, and the linkage among health, medical care, and nursing care. Healthcare is the sector which faces continuous social challenges and the further market expansion will be expected with the evolution of technology in medical and nursing care.

Daiwa has been engaged in healthcare sector through the establishment and sales of healthcare REIT. By acquiring and making ACA HealthCare Inc. into a subsidiary of Daiwa and changing its name to Daiwa ACA HealthCare Inc., we position Daiwa ACA HealthCare Inc. as a platform company of healthcare business of Daiwa and enter into healthcare sector with full-scale implementation, including making investments in hospitals and care facilities in and out of Japan.

Initiatives of Daiwa ACA HealthCare Inc. may also contribute in achievement of the United Nations' 17 Sustainable Development Goals (SDGs), in particular, Goal 3: Good Health and Well-being.

In Addition, ACA Group has a track record of “Asian Investment”, an investment activity toward growing companies in Asian region, and “Business Succession Investment”, focusing on small and mid-sized companies, and has various partnership opportunities with our business. We enhance our relationship with ACA Investments Pte Ltd, a controlling entity of ACA Group, by forming a capital and business partnership, and provide “New Value” to our customers, leveraging the expertise of ACA Group.

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 is going to provide “New Value” as an “Integrated Securities Group with Hybrid Business Model” by contributing in achievement of UN's SDGs.

Summary of Daiwa ACA HealthCare Inc.

| | |
|-----------------------|--|
| (1) Corporate Name | Daiwa ACA HealthCare Inc. |
| (2) Address | 1-11-30 Nagatacho, Chiyoda-ku, Tokyo 100-0014, Japan |
| (3) Amount of Capital | JPY171.02 million (Including Capital Reserve) |
| (4) Share Holders | Daiwa Securities Group Inc. 66% ACA HC JAPAN HOLDINGS PTE.LTD 34% |

Summary of ACA Investments Pte Ltd

| | |
|-----------------------|--|
| (1) Corporate Name | ACA Investments Pte Ltd |
| (2) Address | 8 Temasek Boulevard #34-02, Suntec Tower Three, Singapore(038988) |
| (3) Amount of Capital | JPY1,142 million |
| (4) Share Holders | ACA PARTNERS Pte Ltd 66% Daiwa Securities Group Inc. 34% |

End