

May 15, 2019

Press Release

Daiwa Securities Group Inc.

Attention

This document is an unofficial translation of a press release announced on May 15, 2019 by Daiwa Securities Group Inc. The original press release is in Japanese.

Establishment of “CONNECT Co. Ltd.” to provide securities products and services for Digital
Natives

Daiwa Securities Group Inc. (“DSGI”) is pleased to announce that DSGI has launched new business entity CONNECT Co. Ltd. (“CONNECT”) on April 1, 2019. CONNECT will provide securities products and services targeted at people in the digital age, mainly Millennials, (“Digital Natives”) who really need for building up assets in the long term.

Japanese Digital Natives usually think that securities investment is too complicated and requires a large amount of money that they cannot afford. In order to solve this problem, CONNECT’s mission is to lower the threshold for securities investment. CONNECT offer products and services that allow all Digital Natives to enjoy learning how the investment works and easily experience it.

DSGI is going to provide “New Value” as an “Integrated Securities Group with Hybrid Business Model” by leveraging its traditional securities business and expanding/strengthening of the external networks and neighboring business areas, as planned in the new medium-term management plan, “Passion for the Best” 2020 (“medium-term plan”), which was put into action from April 2018.

In recent years, due to the rapid penetration of smartphones and other high-efficiency digital devices to everyday life, the needs and channels of individual customers for securities investment have been dramatically changed. Following that, many corporates have launched securities products and services in new forms.

While Daiwa Securities Co. Ltd., which is the core business of DSGI, has developed and provided new products and services following these trends, our approach is still not sufficient enough to meet the needs of Digital Natives. We have recognized that it is necessary to be more flexible in providing services truly required by Digital Natives in times of rapid changes.

Therefore, DSGI decided to launch CONNECT by fully utilizing DSGI’s accumulated know-how related to securities and financial businesses in order to provide financial services mainly based on

smartphone channels for asset building and young generation (including Digital Natives).
(CONNECT will start its business around the spring of 2020, after getting the registration approval of Subsection 1 Financial Instruments Business Operators from the FSA.)

CONNECT's mission is to lower the threshold in securities investment for asset building and young generation (including Digital Natives) by developing applications which will allow them to trade financial products in a simple and intuitive way. CONNECT's initial product will be odd-lot Japanese equity, then CONNECT will expand its product line-up based on the needs and requests of its customers.

Main services of CONNECT

- ✓ Easy-to-use trading environment on smartphones
- ✓ Easy-to-use application design (UI/UX) for asset building and young generation (including Digital Natives)
- ✓ Simple lineup of products
- ✓ Lowest fee level in the industry
- ✓ Utilization of gamification

As the name of CONNECT shows, it aims to be a company that "connects" itself with many customers and related corporates.

Overview of CONNECT

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| 1. Corporate Name | CONNECT Co. Ltd. |
| 2. Address | 1-2-1, Kyobashi, Chuo-ku, Tokyo, Japan |
| 3. Amount of Capital | JPY 800mil |
| 4. Share Holders | Daiwa Securities Group Inc. 100% |

End