

April 25, 2019

Press Release

Daiwa Securities Group Inc.
Daiwa Food & Agriculture Co. Ltd.
Kajitsudo Co., Ltd.
Kajitsudo Technology Co., Ltd.
SenSprout Inc.

Attention

This document is an unofficial translation of a press release announced on April 25, 2019 by Daiwa Securities Group Inc. and Daiwa Food & Agriculture Co. Ltd. The original press release is in Japanese.

**Notice Regarding the Acquisition of Greenhouse facilities in Kikuchi-gun, Kumamoto,
and the Entry into Baby-leaves production business.**

Daiwa Securities Group Inc's 100% subsidiary, Daiwa Food & Agriculture Co. Ltd. ("the Company") acquired greenhouse facilities for use in Baby-leaves production in Kikuchi-gun, Kumamoto prefecture and entered into production of Baby-leaves as new business of the Company in collaboration with Kajitsudo Co., Ltd. ("Kajitsudo"), Kajitsudo Technology Co., Ltd. ("Kajitsudo Technology") and SenSprout Inc. ("SenSprout").

Daiwa Securities Group is aiming at providing "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 FY2018. As a part of this large group strategy, DFA was established to accelerate industrialization of agriculture business by providing risk-money into agriculture and food sector in November 2018.

Kajitsudo, funded by Mitsui & Co., Ltd., Kagome Co., Ltd., and Toyota Motor Corporation etc., is a leading company in the production and sales of Baby-leaves in Japan since 2008. Kajitsudo have been utilizing technologies in farms and factories to expanded the scale and efficiencies of production. At present, Kajitsudo succeeded in cultivating up to 14 crops a year in the greenhouse, and become the largest Baby-leaves production company in Japan.

Kajitsudo Technology has developed production technology and know-how based on Kajitsudo group's Baby-leaves business, also developed low-cost and weatherproof greenhouse, "Takase Type 14 Crops House". By integrating such a development, Kajitsudo Technology is focusing on the sales of turn-key solution of Baby-leaves production.

SenSprout has developed and been selling "high-performance greenhouse solutions" that are directly

linked to increase yields by integrating soil moisture sensors for agriculture, irrigation control devices, and high-tech cultivation consulting. Since its establishment in 2015, SenSprout are promoting research and development in order to transform the business into a profitable business using cutting-edge technology.

This time, the Company acquired 14 greenhouses for Baby-leaves production in Kikuchi-gun, Kumamoto, and entered into Baby-leaves production business with support of cutting-edge know-how of Baby-leaves production and turn-key solution by Kajitsudo Group and SenSprout.

The Company is going to invest risk money to agricultural production facilities that utilizes advanced technologies, and promote Agri-Tech to expand the scale and industrialize agricultural production. The Company contribute to the elimination of abandoned cultivated land, which is one of the social problems facing Japan, and to the revitalization of the agricultural industry in rural areas in Japan.

Daiwa group believes that entry into this new business area would contribute to the achievement of SDGs in particular Goal 2: Zero Hunger.



(Figure) An overview of the Greenhouse we have acquired and an image of Baby-leaves production.

1. Overview of the Companies

A) Overview of the Company

Company Name	Daiwa Food & Agriculture Co. Ltd.
Head Office	GranTokyo North Tower, 1-9-1, Marunouchi, Chiyoda-ku, Tokyo
Representative	President and CEO Kenji Ochi
The date of establishment	November 1st, 2018
Shareholders	Daiwa Securities Group Inc. 100%

B) Overview of Kajitsudo

Company Name	Kajitsudo Co., Ltd.
Head Office	1155-5, Tabaru, Mashiki-machi, Kamimashiki-gun, Kumamoto
Representative	President and CEO Tsuyoshi Ide
The date of establishment	April 6th, 2015

C) Overview of Kajitsudo Technology

Company Name	Kajitsudo Technology Co., Ltd.
Head Office	1155-5, Tabaru, Mashiki-machi, Kamimashiki-gun, Kumamoto
Representative	President and CEO Takafumi Takase
The date of establishment	November 1st, 2016

D) Overview of SenSprout

Company Name	SenSprout Inc.
Head Office	2 nd Floor KTT Building, 2-16-7, Shiba, Minato-ku, Tokyo
Representative	President and CEO Kazuhito Mine
The date of establishment	January 9th, 2015

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