

**Notice Regarding Judgment in Lawsuit against UK overseas subsidiary**

**Attention**

This document is an unofficial translation of a press release announced on October 31, 2019 by Daiwa Securities Group Inc. (“the Company”). The original press release is in Japanese.

The Company announces that Daiwa Capital Markets Europe Limited (“DCME”), a UK overseas subsidiary of the Company, received the judgment from the Supreme Court of the United Kingdom on a lawsuit filed by Singularis Holdings Limited (“SHL”) in July 2014 and appealed by DCME. The details are as follows.

1. The Court and Date of Judgment

The Supreme Court of the United Kingdom  
October 30, 2019

2. Details of the Judgment

The Supreme Court of the United Kingdom upheld the judgment of the Court of Appeal Civil Division.

3. Effect of the Judgment

The Company has previously fully provided for this lawsuit. This judgment has limited impact on the Company’s consolidated performance.

4. Background of the Lawsuit

In June and July 2009, DCME received instructions from the Chairman of the Board of Directors of SHL, who was the 100% shareholder and the controller of SHL, to pay monies owed to SHL to other group companies which he also controlled. After DCME made enquiries on the grounds for the payment and assessed that there was no legitimate reason to refuse the payment, DCME paid the money based on the given instruction.

In July 2014, the Liquidators of SHL filed a lawsuit against DCME claiming damages of 204.4 million USD, representing the monies owed to SHL and which were paid to third parties based on the fraudulent and improper payment instructions from the shareholder.

On February 16, 2017, the High Court of Justice Chancery Division ordered DCME to pay 152.8 million USD. DCME appealed to the Court of Appeal Civil Division.

On February 1, 2018, the Court of Appeal Civil Division upheld the judgment of the High Court of Justice Chancery Division and dismissed DCME’s appeal. DCME appealed to the Supreme Court of the United Kingdom.

[Reference]

News Release on February 2, 2018

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[http://www.daiwa-grp.jp/data/attach/2377\\_12\\_en20180202a.pdf](http://www.daiwa-grp.jp/data/attach/2377_12_en20180202a.pdf)