

January 31, 2020

To all whom it may concern

Daiwa Securities Group Inc.

Credit Saison Co., Ltd.

*Attention*

*This document is an unofficial translation of a press release announced on January 31, 2020 by Daiwa Securities Group Inc. The original press release is in Japanese*

**Notification Regarding the Capital Participation of Credit Saison Co., Ltd. in Fintertech Co. Ltd.**

Daiwa Securities Group Inc. (“Daiwa Securities Group”) and Credit Saison Co., Ltd. (“Credit Saison”) hereby announces that Daiwa Securities Group and Credit Saison have decided that Credit Saison to execute a capital participation in Fintertech Co. Ltd. (“Fintertech”), a subsidiary of Daiwa Securities Group.

1. Background

Daiwa Securities Group and Credit Saison have entered into a capital and business alliance on September 5, 2019 in order to provide next-generation comprehensive financial service responding to the diversified needs of financial products and create the future of finance by utilizing the financial knowledge and customer base that both companies have acquired since its founding. As the first initiative of this capital and business alliance, Credit Saison decided to execute a capital participation in Fintertech, through a partial transfer of Fintertech shares held by Daiwa Securities Group (hereinafter referred to as “Capital Participation”).

Through the “Passion for the Best” 2020 medium-term management plan, Daiwa Securities Group is aiming to become an integrated securities group with a hybrid business model to provide new value. Daiwa Securities Group has established Fintertech on April 2, 2018 and has been preparing to launch investment crowdfunding and other businesses, utilizing cutting edge technologies including blockchain, aiming to provide next-generation comprehensive financial services to digital natives.

Credit Saison started its Medium-term Management Plan this fiscal year, with “A Finance Company Advancing with Customers for 50 Years -Providing Peace of Mind and Discovering Potentials in Money-” as its mission statement. Based on payment and finance platforms, the Company is making efforts to transform into a finance company which provides optimal services which can contribute to improving customers’ quality of life.

By executing the Capital Participation, Fintertech will be able to access to the customer base of Credit Saison, obtain referrals of crowdfunding projects and human resources supports from Credit Saison, and thus Fintertech can accelerate the progress of their business development. In addition, Fintertech plans to launch a loan related business utilizing business know-how of Credit Saison and the customer base of Daiwa

## Securities Group.

Not only through the Capital Participation, but also through other initiatives including cooperation, mutual utilization of client networks, and the promotion of open innovation, the two companies can develop and provide next-generation comprehensive financial services which meet the diversified needs of the market. We believe that a long-term partnership will enable both parties to collaborate and create the future of finance.

### 2. Company overview of Fintertech

|  |   |
|--|---|
| (1) Trade name                             | Fintertech Co. Ltd.   |
| (2) Address                                | 6th floor, Atlas building, 5, Ichibancho, Chiyoda-ku, Tokyo |
| (3) Name and title of representative       | Makoto Takeda, President                                    |
| (4) Capital                                | ¥800 million (including capital reserve)                    |
| (5) Date established                       | April 2, 2018   |
| (6) Major stockholders and ratio of shares | Daiwa Securities Group Inc. (100%)                          |

### 3. Change in the status of Fintertech shareholdings by the Capital Participation

|  | Daiwa Securities Group                            | Credit Saison                                   |
|--|---|---|
| (1) Number of shares held before the transaction | 100,000 shares<br>(Voting rights ownership: 100%) | 0 shares<br>(Voting rights ownership: 0%)       |
| (2) Number of shares held after the transaction  | 66,000 shares<br>(Voting rights ownership: 66%)   | 34,000 shares<br>(Voting rights ownership: 34%) |

### 4. Schedule

|              |                              |
|--------------|------------------------------|
| Closing date | February 28, 2020 (expected) |
|--------------|------------------------------|

### 5. Expected Impact

This Capital Participation will have only a minimal impact on the consolidated earnings of Daiwa Securities Group and Credit Saison for this fiscal year.

(\*) News Release dated on September 5, 2019, "Notification Regarding the Capital and Business Alliance of Daiwa Securities Group Inc. and Credit Saison Co., Ltd."

[http://www.daiwa-grp.jp/data/attach/2915\\_095\\_en20190905a.pdf](http://www.daiwa-grp.jp/data/attach/2915_095_en20190905a.pdf)

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