

October 12, 2020

Daiwa PI Partners Co. Ltd.
Daiwa Corporate Investment Co., Ltd.

Attention

This is an unofficial translation of an excerpt of the press release issued on October 12, 2020, Daiwa PI Partners Co. Ltd.. The original press release is in Japanese.

**Daiwa Myanmar Growth Fund to Invest in Commercial Plastics Holding Pte. Ltd.
in Singapore/Myanmar**

Daiwa Myanmar Growth Fund, a fund managed by Daiwa PI Partners Co. Ltd. (hereinafter referred to as “DPI”), and Daiwa Corporate Investment Co. Ltd., together with Myanmar Opportunities Fund II, a fund managed by Delta Capital Myanmar, made an investment of USD 12.6M into Commercial Plastics Holding Pte. Ltd. (hereinafter referred to as “CPC”), a plastic bottles recycler in Myanmar. This deal is the first private equity investment for Daiwa Myanmar Growth Fund.

This transaction does not fall under the timely disclosure standards set by the Financial Instruments Exchange for Daiwa Securities Group Inc., which is our parent company.

CPC, through its subsidiary in Myanmar, recycles wasted plastic bottles. Recycle plastic market has been growing globally, encouraged by national level regulations and companies’ initiatives on promoting the use of recycle materials, as well as the high awareness for environmental consideration. In Myanmar, with rising disposable income, the polyethylene terephthalate (“PET”) consumption per capita is expected to grow at 10-15% per year. The country also has a relatively high PET bottle collection rate of 64%, leading to favorable opportunities for the recycling plastic market.

This investment is contributing to achieving “Goal 12: Ensure Sustainable Consumption and Production Patterns” of United Nation’s Sustainable Development Goals (SDGs) by promoting the collection of used plastic bottles for recycling and expanding the use of recycled product. In addition, CPC’s recycled PET will serve as a viable alternative to imported virgin PET, reducing Myanmar’s reliance on imports.

The investment will enable CPC to expand its offering and increase its recycling capacity with state-of-the-art equipment. The company will become the first food-grade bottle-to-bottle recycler in Myanmar with high operating standards and supply to both domestic and overseas PET bottle converters and beverage manufacturers. In addition to its financial support, DPI will hold a board seat to support CPC’s business expansion.

Daiwa Securities Group has proven strong initiatives on addressing social issues through its continuous efforts in product development and provision for more than ten years. To accelerate our initiatives, Daiwa established the SDGs Promotion Committee chaired by Seiji Nakata (President and CEO) and recently assigned Keiko Tashiro (Deputy President) as the Head of SDGs. This investment is one of our ongoing efforts to achieve SDGs and to create a sustainable society.

1. Summary of CPC

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| Singapore Entity | Commercial Plastics Holding Pte. Ltd. |
| Address in Singapore | 80 Robinson Road #02-00 Singapore 068898 |

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| Myanmar Entity | Commercial Plastics Company Limited |
| Address in Myanmar | Plot 119, Minaye Yar Road, Shwe Than Lwin Industrial Zone, Hlaing Thar Yar, Yangon, Myanmar |
| Business Description | Plastic bottles recycler in Myanmar – collects, sorts, washes, and grinds used PET bottles into PET flakes for exports |

2. Summary of Daiwa Myanmar Growth Fund

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| Name | DAIWA Myanmar Growth Fund L.P. |
| Investment Target | Growing companies operating in Myanmar |
| Total Fund Commitment | USD 30 million |
| General Partners | Daiwa PI Partners Co. Ltd. and Daiwa Corporate Investment Co., Ltd. |

(Reference) Daiwa Securities Group's SDGs initiatives :
https://www.daiwa-grp.jp/english/sdgs/?cid=ad_eir_ensdgspress