

Attention

This is an unofficial translation of the press release announced 3 March 2021 by Daiwa Securities Group Inc. The original press release is in Japanese.

3 March 2021

Press Release

Daiwa Securities Group Inc.

Notice Concerning Establishment of Daiwa Securities Realty Co. Ltd.

Daiwa Securities Group Inc. (“DSGI”) announces that it sets out to establish Daiwa Securities Realty Co. Ltd. (“Daiwa Securities Realty”) for strengthening its function to compose and provide real estate related investment products for its customers. This transaction does not fall under the timely disclosure standards set by the Financial Instruments Exchange for DSGI.

DSGI is going to provide “New Value” as an “Integrated Securities Group with Hybrid Business Model” by leveraging its traditional security business and expanding/strengthening external network and fringe businesses, as planned in its mid-term management plan, “Passion for the Best 2020”, which was put into action in FY2018.

In 2009, DSGI made Daiwa Real Estate Asset Management Co. Ltd. its consolidated subsidiary and entered into real estate asset management business. In addition to office-focused listed REIT which has been under management after the entry, listed and unlisted REITs focusing on rental housing, healthcare facilities, hotel or logistics facilities were added to its portfolio, while assets under management expanded from 265 billion yen at the point of entering the business to over 1 trillion yen at the end of February 2021.

DSGI has been mainly utilized REITs in its real estate asset management business, however, DSGI needs to provide other type of real estate related investment products other than REIT to meet diversified demand of its customers, therefore, DSGI decided to newly set up Daiwa Securities Realty as the entity to plan and compose the investment products.

Daiwa Securities Realty will possess not only real estates which are utilized to compose the new investment products, but also those which will be acquired by REITs, for a warehousing purpose. Setting up Daiwa Securities Realty and putting it DSGI’s resource on real estate related business, Daiwa Securities Group will gain capability to offer new real estate related investment products as well as contribute to further growth of its managing REITs.

Details of the real estate related investment products Daiwa Securities Realty will provide and the schedule to launch the investment products will be released later.

DSGI continuously aims to provide “New Value” as an Integrated Securities Group with Hybrid Business Model.

Overview of Daiwa Securities Realty

(1) Corporate Name	Daiwa Securities Realty Co. Ltd.
(2) Address	Daiwa Ginza Building, 2-1, Ginza 6-chome, Chuo-ku, Tokyo (planned)
(3) Amount of Capital	JPY 0.5 billion (including capital reserve) (planned)
(4) Shareholders	DSGI 100%
(5) Date of Establishment	1 April 2021 (planned)