

This is an unofficial translation of a press release announced on October 11, 2016 by Daiwa Securities Group Inc. and IDI infrastructures Inc. The original press release is in Japanese.

October 11, 2016

Press Release

Daiwa Securities Group Inc.

Notice Regarding the Japan's Largest Energy-infrastructure-focused Fund,
"IDI Infrastructure #3 Limited Liability Partnership"

We announce as follows that IDI infrastructures Inc. ("IDI-I"), a subsidiary of Daiwa Securities Group Inc., has achieved JPY 48.4billion fund-raise for IDI Infrastructure #3 Limited Liability Partnership ("Third Fund") launched in January 2016 which focuses on energy infrastructure sector.

1. Background

In "Long-term Energy Supply and Demand Outlook" released by Ministry of Economy, Trade and Industry ("METI") in July 2015, the several policies have been indicated regarding energy supply in FY2030, which includes introducing renewable energy and improving the efficiency of thermal power generation, in order to achieve absolute safety, energy security, reduction of electric power cost and countermeasure against global warming while lowering the dependence of nuclear power generation.

Under challenging market conditions with long-standing historically-low interest rate, infrastructure assets have become more attractive to investors seeking stable returns with less susceptibility to economic fluctuations. In order to bring risk capital into infrastructure assets, several policies are now promoted under the strong leadership of the Japanese government, such as to facilitate sustainable growth of infrastructure fund in "Japan Revitalization Strategy 2016" released in June 2016.

IDI-I, a subsidiary of Daiwa Securities Group Inc. since January 2016, is a fund management company focusing on energy infrastructure sector. IDI-I launched its first fund in 2008 and second fund in 2011, building up strong track record with unique portfolio assets in the sector such as thermal, hydroelectric, biomass, solar and wind power plants and a PPS (Power Producer and Supplier).

IDI-I launched the Third Fund in January 2016. As a result of additional fund-raising activity, 24 limited partners including corporations, financial institutions and pension funds, etc. decided to participate in the Third Fund and its equity size has reached JPY 48.4 billion. We recognize that the Third Fund is the largest fund focusing on the energy infrastructure sector in Japan.

By utilizing IDI-I's experience and knowledge regarding the energy infrastructure sector, around a few hundred billion yen are expected to be invested in energy infrastructure assets, combining the capital from the Third Fund with financing from financial institutions. Also, IDI-I, as the general partner of the Third Fund, has already made a decision to invest in several thermal power plants in Japan.

Daiwa Securities Group, utilizing its functions and networks as a comprehensive securities group, will actively support investment activities of IDI-I. Through investment management of the Third Fund, we would like to contribute to the realization of Japan's major policy of introducing additional risk capital to infrastructure assets and achievement of safety, stable supply, economic efficiency and environment suitability regarding the power supply, by promoting renewable energy and efficient thermal power generation.

2. Summary of Third Fund and IDI-I (as of October 11, 2016)

(1) Third Fund

Fund Name	IDI Infrastructure #3 Limited Liability Partnership
Location	5-11-1 Higashi-Gotanda, Shinagawa-ku, Tokyo, Japan ^(*)
Investment Target	Assets and corporations in energy infrastructure sector
Fund Size	JPY 48.4 billion
General Partner	IDI infrastructures Inc.
Number of Limited Partners	24

(2) IDI-I

Name of the Company	IDI infrastructures. Inc.
Address	5-11-1 Higashi-Gotanda, Shinagawa-ku, Tokyo, Japan ^(*)
Date of Establishment	October 15, 2007

Representative Director	Hiroshi Saitama, President & CEO
Main Shareholder	Daiwa Securities Group Inc. (Voting rights : 50.01%)
Business	Managing investment funds focusing on power, energy and infrastructure industry

(*) It is scheduled to relocate as follows on October 15, 2016.

New address : 2-26-1 Minami-Aoyama, Minato-ku, Tokyo, Japan