

Attention

This is an unofficial translation of the press release announced on June 11, 2021, by Daiwa Securities Group Inc. The original press release is in Japanese.

June 11, 2021

Press Release

Daiwa Securities Group Inc.

Daiwa Securities (China) Co., Ltd. Received Securities Business License

On June 11, 2021 Daiwa Securities Group Inc. ("Daiwa Securities") announced that its majority-owned securities joint venture in China, Daiwa Securities (China) Co., Ltd. ("Daiwa Securities (China)"), has received the securities business license from China Securities Regulatory Commission ("CSRC"). Daiwa Securities will in accordance with the relevant Chinese laws and regulations, move forward the preparation for opening, and start the business of Daiwa Securities (China).

Daiwa Securities (China) will be the first newly established foreign-controlled securities company in Beijing, China, which aims to become a securities firm servicing cross-border capital allocation and cross-border investment & financing. Daiwa Securities and Beijing State Capital Operation Management Center ("BSCOMC")^{*1} and Beijing Xi Cheng Capital Holding Co. Ltd. ("Xi Cheng Holding")^{*2}, signed an agreement regarding the establishment of the joint venture in Jun 2019. This is the first time in 12 years that CSRC has issued a license to a new securities company in Beijing. Through utilizing the strong background and business resources from the shareholders in both Japanese and Chinese capital markets, Daiwa Securities (China) will place special focus on institutional clients and key industries, and provide high-quality and professional financial services to our clients in China and around the world.

Information of Daiwa Securities (China)

Company Name	Daiwa Securities (China) Co., Ltd.
Place of Registration	Beijing, China
Time of Registration	Dec 18, 2020
Capital	1 Billion RMB
Shareholders and Capital Contribution Ratio:	Daiwa Securities Group Inc. 51% Beijing State Capital Operation Management Center ("BSCOMC") 33% Beijing Xi Cheng Capital Holding Co. Ltd. ("Xi Cheng Holding") 16%
Business Scope:	1) Brokerage 2) Underwriting and Sponsoring 3) Proprietary Trading

*1. Beijing State-owned Capital Operation and Management Center was established at the end of 2008. As a platform for industrial investment in accordance with the strategic intention of the Beijing Municipal Government, it undertakes the functions of capital operation, equity management of state-owned enterprises and financing through the capital market. By the end of 2019, the total assets reached RMB 2.95 trillion.

*2. Beijing Xicheng Capital Holding Co., Ltd., founded in 2017, is the only state-owned investment platform under the Xicheng District Government of Beijing. As a wholly owned subsidiary of Beijing Financial Street Capital Operation Center (with total assets of RMB 277 billion at the end of 2019), it undertakes the functions of overseas investment and capital cooperation.