



June 11, 2024

To whom it may concern

Daiwa Securities Group Inc.
Akihiko Ogino, President and CEO
(Securities Code: 8601 TSE Prime and NSE Premiere)

Notice Regarding Purchase of Shares of Aozora Bank, Ltd. (Securities Code: 8304)

Daiwa Securities Group Inc. (hereinafter the “Company”) has today entered into a share purchase agreement regarding Aozora Bank, Ltd. (Securities Code: 8304, hereinafter “Aozora Bank”) under which the Company will acquire Aozora Bank’s common shares from Aozora Bank’s shareholders, Ms. Aya Nomura and CITY INDEX ELEVENTH CO., Ltd., off-market in two phases as described below (hereinafter the “Share Purchase”).

The Company hereby provides notice of the Share Purchase since it constitutes an acquisition of 5% or more of the voting rights of Aozora Bank and falls under the category of “buying up action specified by the Cabinet Order as an action equivalent to a tender offer” as stipulated in Article 167, Paragraph 1 of the Financial Instruments and Exchange Act and Article 31 of the Enforcement Order of the same.

As described in “Notice Regarding the Capital and Business Alliance of Daiwa Securities Group Inc. and Aozora Bank, Ltd.,” published on May 13, 2024, the Company will acquire 21,500,000 shares of Aozora Bank’s common shares as of July 1, 2024 through underwriting a third party allotment of new shares to be implemented by Aozora Bank. The Company has entered into the capital and business alliance since the Company determined that it will be able to dramatically enhance its consulting and solution providing capabilities to address issues faced by its individual and corporate clients through the collaboration between the two companies, which have different strengths and management resources.

The Company and Aozora Bank have already established the joint management committee and started discussions on collaboration in several business areas. Through the Share Purchase, which will be carried out with Aozora Bank’s approval, the Company will enhance the efficacy of the capital and business alliance and accelerate its efforts to create synergies.

1. Summary of the Share Purchase

(1) Phase 1

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|------------------------------|---|
| (i) Target | Aozora Bank, Ltd. (Securities Code: 8304) |
| (ii) Number of shares | 5,968,000 |
| (iii) Share of voting rights | 5.12 % (*1) |

(*1) The share of voting rights above is calculated based on the total number of voting rights of all shareholders of Aozora Bank as of March 31, 2024 (1,165,303 voting rights).

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| (iv) Share acquisition date | June 24, 2024 (scheduled) |
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(2) Phase 2

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|------------------------------|---|
| (i) Target | Aozora Bank, Ltd. (Securities Code: 8304) |
| (ii) Number of shares | 5,588,300 |
| (iii) Share of voting rights | 4.05 % (*2) |

(*2) The share of voting rights above is calculated based on the total number of voting rights of all shareholders of Aozora Bank as of March 31, 2024 (1,165,303 voting rights), plus the number of

voting rights created by the third party allotment described above (215,000 voting rights), resulting in a total of 1,380,303 voting rights. The Company will own 33,056,300 shares of Aozora Bank's common shares (23.95% of the total number of voting rights) after phase 2 of the Share Purchase.

(iv) Share acquisition date TBD (*3)

(*3) The Company plans to file a notification with the Japan Fair Trade Commission in accordance with Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) after the completion of phase 1 of the Share Purchase, which is a prerequisite for phase 2 of the Share Purchase. Phase 2 of the Share Purchase will be conducted subject to the fulfillment of certain conditions, including notification from the Japan Fair Trade Commission that it will not issue a cease and desist order for the Share Purchase in response to the prior notification above.

2. Outlook

At this time, the Company believes that the impact of the Share Purchase on its consolidated financial results will be limited, but we will promptly disclose the impact if it turns out to be material.