

Press Release

12th July 2024

Daiwa Securities Group Inc.
Kepple Group Inc.

**Notice on Daiwa Securities Group Inc.'s investment in Kepple Group Inc.
and the business alliance agreement**

Daiwa Securities Group Inc. (Head office: Chiyoda-ku, Tokyo; President and CEO: Akihiko Ogino; hereinafter referred to as "Daiwa.") has invested in Kepple Group, Inc. (Representative Director and CEO: Takahiro Kanzaki; hereinafter referred to as "Kepple Group"), a company that creates platform facilitated for startup companies and venture investors, and has entered into a business partnership agreement.



■Background and purpose of capital and business alliance

The global secondary market of unlisted stocks is expanding in line with the growth of the primary market, driven by the rise of startup companies and the increase in risk capital provided by venture capital (VC) and other sources. In Japan, the startup market has also been growing since the 2000s, and the importance of the secondary market of unlisted stocks was mentioned in the "Startup Development Five-year Plan" formulated by the government in November 2022. Secondary market of unlisted stocks is expected to continue to grow in the future.

In light of this market expansion outlook, Daiwa Securities Group has anticipated the future growth of the secondary market-related business for unlisted stocks in Japan. Consequently, it has made a capital investment in the Kepple Group, which operates the "Kepple Liquidity Fund," a secondary fund specializing in pre-IPO companies. Additionally, Daiwa Securities Group has signed a basic agreement for business collaboration with the Kepple Group.

Founded in 2015, the Kepple Group is one of the leading companies in the domestic secondary market of unlisted stocks. In addition to managing the Kepple Liquidity Fund, the group is involved in a wide range of businesses to support entrepreneurs and investors, including providing the startup database "KEPPLE DB" for VCs and business companies, fund accounting services, and "Startup Scout," a high-class recruitment support service specializing in stock option recruitment.

Through this capital participation, Daiwa Securities Group aims to provide Kepple Group with its financial expertise and knowledge in financial product development. In return, Daiwa Securities Group will gain insights from Kepple Group regarding the secondary market for unlisted domestic stocks with high growth potential. This collaboration aims to develop and provide solutions that are more optimized to meet the needs of startup companies, thereby contributing to maximizing customer corporate value.

Furthermore, this matter does not fall under the timely disclosure standards set by the Financial Instruments Exchange.

■ Company Overview

About Daiwa Securities Group

Company Name	Daiwa Securities Group Inc.
Company Address	GranTokyo North Tower 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6751, Japan
Representative	Akihiko Ogino, President and CEO
Date of Founding	April 26, 1999
URL	https://www.daiwa-grp.jp/english/

About Kepple Group

Company Name	Kepple Group, Inc.
Company Address	5F Garden Plaza B, Azabudai Hills, 5-9-1 Toranomom, Minato-ku, Tokyo 105-0001, Japan
Representative	Takahiro Kanzaki, Representative Director and CEO
Date of Founding	February 23, 2015
URL	https://corp.kepple.co.jp/

■ **Daiwa Securities Group's Initiatives for the Startup Ecosystem**

In the "Startup Development Five-year Plan" formulated by the "Conference for the Realization of New Capitalism" in 2022, startup companies are positioned as "the actors that will transform social issues into engines of growth and realize a sustainable economic society." The plan aims to create an ecosystem in which the public and private sectors can work together to produce and nurture startups, and to realize a second startup boom.

In response to these efforts, Daiwa Securities Group is also further strengthening its support system for startup companies. In April last year, Daiwa Securities Co., Ltd. established Private Capital Solutions Department, and starting from April this year, we have expanded the scope of operations of Private Corporate Clients Department in order to focus not only on IPO support but also on private placement and M&A support. In addition, Daiwa Securities Group companies, such as Daiwa Corporate Investment Co., Ltd., which engages in equity investments through venture capital funds, Daiwa Blue Financial, Inc., which provides venture debt, IP Bridge Inc., which supports the construction of intellectual property strategies, and Ecrowd Inc., which conducts equity-based crowdfunding, are all collaborating to provide startup support services.

This capital and business alliance with the Kepple Group will add to our service menu of supporting startup companies through the secondary market for unlisted shares, enabling us to provide comprehensive services tailored to the growth stage and needs of startup companies.

Daiwa Securities Group will continue to support the growth of startups, create new business opportunities, and contribute to social and economic development through financial and capital markets.

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