

May 22, 2020

Press Release

Daiwa Energy & Infrastructure Co. Ltd.

Attention

This document is an unofficial translation of a press release announced on May 22, 2020 by Daiwa Securities Group Inc. The original press release is in Japanese.

Daiwa Energy & Infrastructure Co. Ltd. to Invest in Pentacom Investments (Spain) Holdco S.L.

Daiwa Energy & Infrastructure Co. Ltd. (President: Morimasa Matsuda, Headquarters: GranTokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo / “DEI” or “We”) acquired a part of the shares of Pentacom Investments (Spain) Holdco S.L. (hereinafter referred to as “Pentacom”), which owns optical Fibre-to-the-Home network in Spain.

DEI acquired a portion of Pentacom shares from Macquarie Capital (hereinafter referred to as “Macquarie”), the investment division of Macquarie Group Ltd., which develop and operate various infrastructure business as well as others.

Pentacom is headquartered in Madrid and has capabilities currently to provide services to approximately 940,000 building units across five of Spain’s largest cities, Madrid, Barcelona, Valencia, Seville and Malaga, through its subsidiary, Pentacom Investments (Spain) Opco S.L.U. (hereinafter referred to as “the Company”). The Company’s approximate 190,000 km optical fibre network is providing high quality and low cost fixed broadband services to customers. DEI will support the management team for expansion and development of Pentacom’s business together with Macquarie and Aberdeen Standard Investments, which are existing shareholders of the company.

We see that high quality telecommunications demands are being expanded in not only in Spain but also globally. DEI will accelerate our investments into telecommunications business and to support improvement of its quality, technological development and innovation in the world.

Daiwa Securities Group has proven strong with initiatives on the Sustainable Development Goals (SDGs) and announced the launch of the SDGs Promotion Committee chaired by Seiji Nakata, President and CEO of Daiwa Securities Group Inc. This investment in Pentacom may also contribute to achieving the United Nations’ 17 SDGs, in particular, Goal 9: Industry, Innovation and Infrastructure. Daiwa Securities Group will contribute to the achievement of SDGs going forward.

17 Goals of SDGs (This investment contributes to a goal below)

[Goal 9]: Industry, Innovation and Infrastructure

Through the expansion of telecommunications sector and its quality improvement, we contribute to the foundation of technological development and innovation.

End