

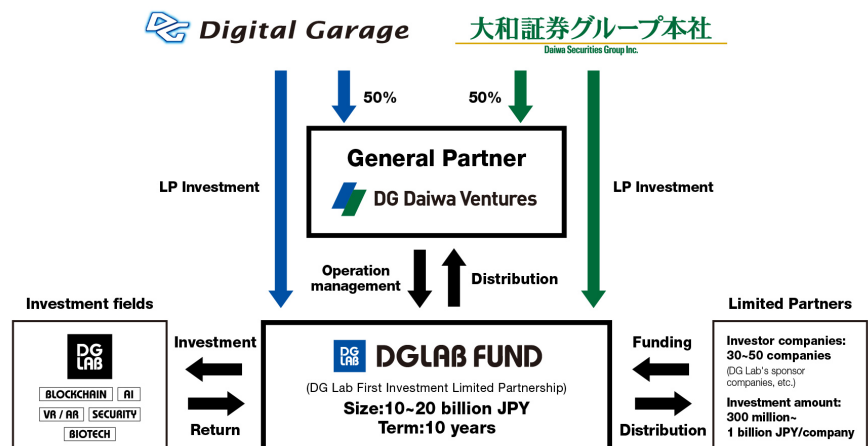
NEWS RELEASE

Digital Garage and Daiwa Securities Group establish “DG Lab Fund,” a fund directed towards startups that specialize in next generation technology

~ Targeting Blockchain, AI, VR/AR, Security, and Biotechnology ~

Digital Garage, Inc. (TSE first section: 4819, HQ: Tokyo, CEO: Kaoru Hayashi, DG) and Daiwa Securities Group, Inc. (TSE first section: 8601, HQ: Tokyo, President and CEO: Takashi Hibino, Daiwa Securities Group) agreed to jointly establish “DG Lab Fund I” (also known as DG Lab Fund), an investment fund directed towards startups that specialize in next generation technology. DG Daiwa Ventures, Inc. (DG Daiwa Ventures), a joint venture created by DG and Daiwa Securities Group, Inc., will run the operation of DG Lab Fund. DG Daiwa Ventures aims to increase the fund size from ten billion yen to twenty billion yen, and increase the number of investors from around 30 investors to 50 investors.

DG Lab Fund will be coordinated with DG Lab, an open innovation-based R&D organization jointly established with Kakaku.com, Inc. (TSE first section: 2371, HQ: Tokyo, PRES: Shonosuke Hata, Kakaku), and Credit Saison Co.,Ltd. (TSE first section: 8253, HQ: Tokyo, CEO: Hiroshi Rinno, Credit Saison). Specifically, DG Lab Fund will focus its investments in and out of Japan based on DG Lab’s five focuses: Blockchain, AI, VR/AR, Security, and Biotechnology. DG Fund will monetize DG Lab’s research findings as well as invest in future business firms.



The diversification of startups is a reason why the DG Lab Fund was established. With the help of the Internet, the wave of open innovation has overflowed into fields such as hardware and biotechnology. This enabled to lower initial investments, which made it easier for startups from different fields to start their business. As a result, many cases of entrepreneurs and engineers with multidisciplinary backgrounds starting their own businesses are emerging. On the other hand, it has become more difficult for investment companies to judge by themselves because of the diverse backgrounds of startups.

DG Lab Fund’s feature is to detect and invest in exceptional startups in various fields; by following the leads of participating companies from various fields, coordinating with the open innovation-based R&D organization DG Lab, analyzing the diversifying startup scene, and understanding the latest trends in the



July 22, 2016
Digital Garage, Inc.
Daiwa Securities Group, Inc.

NEWS RELEASE

cutting-edge technology, we hope to achieve this trait. DG contributes in making DG Lab Fund create an excellent portfolio through their work and network of strategic business partners and influential investors that have been cultivated until now. Daiwa Securities Group will contribute to the operation of DG Lab Fund by providing its abundant knowledge and know-hows as a comprehensive financial institution.

※This press release is not intended to offer any investment operation services and specific operation products. DG and Daiwa Securities Group are not calling for any participation of DG Lab Fund through this press release.