

June 29, 2012

Daiwa Securities Group Inc.
Daiwa Securities Co. Ltd

Attention

This is an unofficial translation of an excerpt of the press release issued on June 29, 2012, by Daiwa Securities Group Inc. and Daiwa Securities Co. Ltd.

The original press release is in Japanese.

Regarding today's recommendation issued by Japan's Securities and Exchange
Surveillance Commission

Today, Japan's Securities and Exchange Surveillance Commission (SESC) issued a recommendation that the Prime Minister and the Commissioner of the Financial Services Agency should execute an administrative monetary penalty payment order to Japan Advisory LLC, an investment advisory service provider on charges of insider trading in breach of Japan's Financial Instruments and Exchange Act.

In the announcement, SESC recognizes that staff of the lead book runner of the offering distributed the insider information.

Daiwa Securities Group takes the SESC's recognition with utmost seriousness, and will conduct a thorough internal investigation. In order to prevent a recurrence of such an incident, Daiwa Securities Group continues to strive to enhance compliance and internal control systems.