

Press Release

Attention:

This document is an unofficial translation and summary of a press release announced on June 19, 2009 by Daiwa Securities Group Inc. The original press release is in Japanese.

Daiwa Securities Group Inc. Announces Results of Tender Offer for Daiwa SMBC Capital Co., Ltd.

Daiwa Securities Group Inc. ("Daiwa" or "Company") has conducted a tender offer (the "Tender Offer") from April 30, 2009, for the outstanding shares and share warrants in the listed consolidated subsidiary, Daiwa SMBC Capital Co., Ltd. ("Daiwa SMBC Capital" or the "Target Company", stock exchange code 8458), the commencement which was decided at the Executive Committee of the Company which was held on April 28, 2009. The tender offer did not include treasury shares and shares held by Sumitomo Mitsui Banking Corporation ("SMBC"). The Tender Offer ended on June 18, 2009, and the results are stated below.

1. Outline of the Tender Offer

(1) Name and address of bidder

Daiwa Securities Group Inc.
9-1, Marunouchi 1 chome, Chiyoda-ku, Tokyo

(2) Name of Target Company

Daiwa SMBC Capital Co., Ltd.

(3) Types of shares etc. relating to the Tender Offer

1. Common Stock

2. Stock Acquisition Rights

A) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders' meeting on June 24, 2004 ("Second Stock Acquisition Rights"):

B) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders' meeting on June 28, 2005 ("Stock Acquisition

Rights issued in November 2005”):

C) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders’ meeting on June 28, 2005 (“Third Stock Acquisition Rights”):

D) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders’ meeting on June 27, 2006 (“Stock Acquisition Rights to be issued in September 2006 II”):

E) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders’ meeting on June 27, 2006 (“Stock Acquisition Rights to be issued in August 2006 III”):

F) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders’ meeting on June 27, 2006 and resolution of the board on August 22, 2006 (“Stock Acquisition Rights to be issued in September 2006 I”):

G) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders’ meeting on June 26, 2007 (“Stock Acquisition Rights to be issued in September 2007 A”):

H) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders’ meeting on June 26, 2007 (“Stock Acquisition Rights to be issued in September 2007 B”):

I) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders’ meeting on June 27, 2006 and resolution of the board on August 28, 2007 (“Stock Acquisition Rights to be issued in September 2007 I”):

J) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders’ meeting on June 24, 2008 (“Stock Acquisition Rights to be issued in September 2008 A”):

K) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders' meeting on June 24, 2008 ("Stock Acquisition Rights to be issued in September 2008 B"):

L) Stock Acquisition Rights issued on the basis of a resolution passed at the ordinary general shareholders' meeting on June 24, 2008 and resolution of the board on August 26, 2008 ("Stock Acquisition Rights to be issued in September 2008 I"):

Note: The descriptions of the Stock Acquisition Rights are in accordance with the descriptions stated in the 3Q financial statement (the 26th business term) submitted on Feb. 12, 2009.

(4) Number of shares and other securities to be purchased

1) Number of Shares to be Purchased	2) Minimum Number of Shares to be Purchased	3) Maximum Number of Shares to be Purchased
5,991,580 Shares	— shares	— shares

Note:

1. As the maximum and minimum limits to the number of shares to be purchased through the Tender Offer are not set, all of the tendered shares will be purchased.
2. The Tender Offer also covers shares of the Target Company, which may be issued by exercising the Share Warrants by the closing day of the Tender Offer Period.
3. The maximum number of shares that the Company shall acquire through the Tender Offer is (the "Maximum Limit") 23,178,580 shares of the Target Company. It is derived by deducting the number of shares owned by the Company (19,841,920 shares) as of April 28, 2009, and the treasury stock held by the Target Company (195,100 shares) as of March 31, 2009, from the total outstanding shares (42,967,500 shares) as of Sept. 30, 2008, which was disclosed in the 3Q financial statement (the 26th business term) submitted on Feb. 12, 2009, and adding the maximum number of shares of the Target Company (248,100 shares) which may be issued by exercising the Warrants as of Dec. 31, 2008 (including shares of the Target Company, which were issued by exercising the Stock Acquisition Rights between Jan. 1, 2009 and the submission date of this statement). However, as SMBC, a specially related party, will not tender its Target Company share in Tender Offer with respect to the shares owned by SMBC, the actual number of shares to be purchased through the Tender Offer is 5,991,580 shares, after

deducting the number of the shares owned by SMBC (17,187,000 shares) from the Maximum Limit of 23,178,580 shares.

4. Shares constituting less than a whole unit shall also be subject to purchase through the Tender Offer. The Target Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Companies Act to require the Target Company to purchase shares constituting less than a whole unit.

(5) Tender Offer Period

From Thursday, April 30, 2009 through Thursday, June 18, 2009 (33 business days in Japan)

(6) Tender Offer Price

1. Common Shares	563 yen per share
2. Stock Acquisition Rights	
• Second Stock Acquisition Rights	1 yen per acquisition right
• Stock Acquisition Rights issued in November 2005	1 yen per acquisition right
• Third Stock Acquisition Rights	1 yen per acquisition right
• Stock Acquisition Rights to be issued in September 2006 II	1 yen per acquisition right
• Stock Acquisition Rights to be issued in August 2006 III	1 yen per acquisition right
• Stock Acquisition Rights to be issued in September 2006 I	1 yen per acquisition right
• Stock Acquisition Rights to be issued in September 2007 A	1 yen per acquisition right
• Stock Acquisition Rights to be issued in September 2007 B	1 yen per acquisition right
• Stock Acquisition Rights to be issued in September 2007 I	1 yen per acquisition right
• Stock Acquisition Rights to be issued in September 2008 A	1 yen per acquisition right
• Stock Acquisition Rights to be issued in September 2008 B	1 yen per acquisition right
• Stock Acquisition Rights to be issued in September 2008 I	1 yen per acquisition right

2. Results of the Tender Offer

(1) Success or failure of the Tender Offer

As the maximum and minimum limits to the number of shares to be purchased through the Tender Offer are not set, all of the tendered shares will be purchased.

(2) Date of Public Notice of the Results of the Tender Offer and the Name of the Newspapers in which the Public Notice was Posted

Pursuant to the provisions of Article 27-13, Paragraph 1 of the Financial Instruments

and Exchange Law (Law No.25 of 1948, including amendment thereof, “Law”), the Company publicly announced the results of the Tender Offer to the media at Tokyo Stock Exchange, Inc. on June 19, 2009, in accordance with the manner prescribed by the provisions of Article 9-4 of the Enforcement Regulations of the Financial Instruments and Exchange Law (Regulation No. 321 of 1965, including amendment thereof) and of Article 30-2 of the Cabinet Office Ordinance regarding Disclosure of Tender Offers for Shares, etc., by Entities Other than Issuers (MOF Ordinance No.38 of 1990, including amendment thereof, “Ordinance”).

(3) Tendered Shares etc.

Type	Number of shares etc. tendered when converted into shares	Number of shares etc. purchased when converted into shares
Share Certificates	4,458,422 shares	4,458,422 shares
Stock Acquisition Rights	—	—
Corporate bonds with Stock Acquisition Rights	—	—
Trust Beneficiary Certificates for Share Certificates	—	—
Depository Receipt for Share Certificates	—	—
Total	4,458,422	4,458,422
(Total Residual Shares)	—	(—)

(4) Changes in percentages of shareholdings after the purchase

Number of Voting Rights Represented by Share Certificates Owned by the Company Prior to the Tender Offer	198,419 units	(Ownership Percentage of Share Certificates Prior to the Tender Offer: 46.37%)
Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties Prior to the Tender Offer	172,656 units	(Ownership Percentage of Share Certificates Prior to the Tender Offer: 40.35%)
Number of Voting Rights Represented by Share Certificates Owned by the Company After the Tender Offer	243,003 units	(Ownership Percentage of Share Certificates After the Tender Offer: 56.74%)

Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties After the Tender Offer	172,106 units	(Ownership Percentage of Share Certificates Prior to the Tender Offer: 40.19%)
Total Number of Voting Rights of Shareholders and Holders of Other Securities of the Target Company	428,326 units	

Notes:

1. The “Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties Prior to the Tender Offer” is the total number of voting rights represented by Share Certificates owned by each specially related party as of April 28, 2009 (excluding the treasury shares held by the Target Company).
2. The “Total Number of Voting Rights of Shareholders and Holders of Other Securities of the Target Company” is the total number of voting rights of all shareholders of the Target Company as of Sept. 30, 2008, which was disclosed in the 3Q financial statement (the 26th business term) submitted on Feb. 12, 2009.
3. “The Ownership Percentage of Share Certificates Prior to the Tender Offer” were calculated assuming that total voting rights was 427,941 units by adding the residual shares held by the Specially Related Parties (217) to 427,724 units representing 42,772,400 shares which was derived by deducing treasure shares held by the Target Company (195,100 shares) as of March 31, 2009 from total outstanding shares (42,967,500 shares) as of Sept. 30, 2008, which was disclosed in the 3Q financial statement (the 26th business term) submitted on Feb. 12, 2009.
4. For the calculation of “Ownership Percentage of Share Certificates After the Tender Offer”, the numerator is 428,266 units which was determined by adding the residual shares held by the Specially Related Parties (217) to 428,049 units which represents 42,804,900 shares, deducting 162,600 shares of treasury stocks as stated in the Notice or Results of Share Repurchase dated May 31, 2009 from the total outstanding shares of 42,967,500 shares as of Sept. 30, 2008, which was disclosed in the 3Q financial statement (the 26th business term) submitted on Feb. 12, 2009.
5. Percentages of shareholding before and after the Tender Offer were rounded to the nearest hundredth.

(5) Calculation in case of purchase by the proportional method
Not applicable.

(6) Total purchase price 2,510 million yen

(7) Settlement method

(a) Name and the Location of the Head Office of the Financial Instruments Business Operators, a Bank, or other Institution Handling the Settlement

Daiwa Securities SMBC Co. Ltd. (Tender Offer Agent)
9-1, Marunouchi 1 chome, Chiyoda-ku, Tokyo

Daiwa Securities Co. Ltd. (subagent)
9-1, Marunouchi 1 chome, Chiyoda-ku, Tokyo

(b) Commencement Date of Settlement
Thursday, June 25, 2009

(c) Settlement Method

A notice on purchase under the Tender Offer will be mailed to the address of applicant shareholders, (or the standing agent in the case of a foreign shareholder) without delay after the closing of the Tender Offer.

Purchase will be settled in cash. The bidder agent will remit proceeds pertaining to the sale of shares to the address designated by applicant shareholders (or the standing agent in the case of a foreign shareholder) or pay at its head office or any domestic branch of the Tender Offer Agent or the subagent without delay after settlement begins.

3. Management Policy and Outlook after the Tender Offer

There are no changes made from the press release dated on April 28, 2009, "Daiwa Securities Group Inc. to Commence Tender Offer for Daiwa SMBC Capital Co., Ltd.".

4. Places where copies of the Tender Offer report are made available for public inspection

Daiwa Securities Group Inc.	9-1, Marunouchi 1 chome, Chiyoda-ku, Tokyo
Jasdaq Securities Exchange, Inc.	1-5-8 Kayabacho, Nihonbashi, Chuo-ku, Tokyo