



April 30, 2010

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President and CEO

Daiwa Securities Group Inc.

Securities code: 8601

**Notice Regarding Introduction of
“ESOP Trust Utilizing Employee Shareholding Association”**

We hereby announce today that Daiwa Securities Group Inc. will introduce an employee incentive plan called “ESOP Trust Utilizing Employee Shareholding Association” (ESOP Trust), with the aim of raising corporate value over the medium and long terms. More details are given below.

1. Reason for the introduction of ESOP Trust

We have decided that we will introduce ESOP Trust as an incentive plan so that we can increase awareness of employees about our performance and stock price, and thus boost medium-and long-term corporate value.

2. Outline of ESOP Trust

ESOP trust is a trust-type employee incentive plan that uses the mechanism of the employee share holding association, and is based on the ESOP (Employee Stock Ownership Plan) system of the United States, with the purpose of attempting to expand the savings system that promotes asset accumulation of employees who own our stocks (expansion of the employee welfare system).

We do not only aim to maximize corporate value by fostering solidarity in each group company, but also expect to include synergy among group companies. Therefore, we have decided to introduce new ESOP Trust not only for the Daiwa Employee Share Holding Association, but also for the Daiwa Expanded Employee Share Holding Association for the employees of related companies.

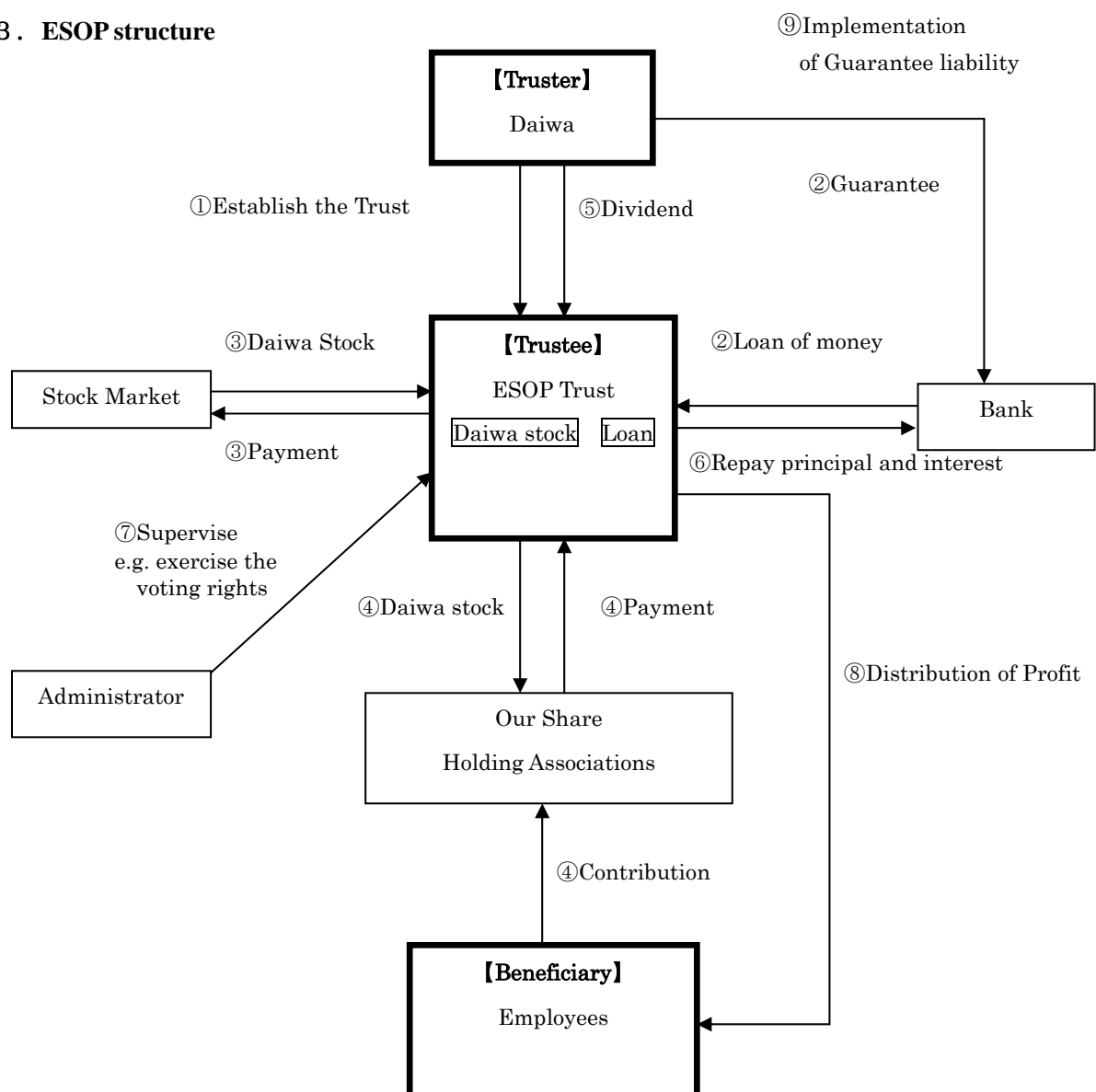
The trust, the beneficiaries of which are persons (hereafter, "Employee"), who fulfill a defined requirement of being employees of the group and join the employee share holding association or the expanded employee share holding association (hereafter, "Our Share Holding Associations"). Trust concerned acquires our stocks in the number that Our Share Holding Associations expects to acquire for five years in the future, in the acquisition period provided beforehand.

Afterwards, ESOP Trust sells off our stocks to Our Share Holding Associations on a constant day every month. The remaining funds will be distributed according to employee's contribution ratio when there are ESOP Trust earnings resulting from an upward swing in stock price when ESOP Trust ends. There is no

additional burden on the employee as we will pay back the loan based on our guarantee clause of the loan agreement when a loss is caused by a drop in stock prices.

As for this scheme, Mitsubishi UFJ Trust and Banking Corporation takes on the part of the trust relating business, and ESOP Trust is the one introduced by the arrangement of Daiwa Securities Capital Markets Co. Ltd. and Daiwa Securities Co. Ltd.

3 . ESOP structure



- ① Daiwa establishes ESOP Trust, in which beneficiaries are employees who will satisfy the prescribed conditions.
- ② ESOP Trust borrows funds from the bank to purchase the stocks with Daiwa's guarantee.
- ③ ESOP Trust purchases the stocks equivalent to the expected amount which Our Share Holding Associations will purchase through the period of the trust.
- ④ ESOP Trust sells the stocks to Our Share Holding Associations equivalent to the amount funded by Our Share Holding Associations on each scheduled date during the period of the trust.
- ⑤ ESOP Trust receives dividends as a shareholder of Daiwa Securities Group Inc.
- ⑥ ESOP Trust repays the principal and interest of the bank loan out of the sales proceeds and the dividends of the stock.
- ⑦ ESOP Trust exercises the voting rights according to the instruction of the administrator.
- ⑧ After the terms of the trust, the stocks remaining in the trust due to an increase in the stock price will be cashed out, and the beneficiaries will receive the proceeds according to their contribution ratio.
- ⑨ If loan remains due to stock price decline at the end of the term, Daiwa will pay it off to the bank based on the above-mentioned No.2 clause.

※If no stock remains in ESOP Trust during the trust period, ESOP Trust will expire before the due date of the trust, so that remaining fund will be distributed to the beneficiaries.

(Reference)

[Trust Agreement Summary]

- ①Type of Trust Agreement: Specified Money in Trust
- ②Purpose: stable and continuous supply of the stock to Our Share Holding Associations and improvement of welfare for employees who are qualified as the beneficiary.
- ③Truster: Daiwa Securities Group Inc.
- ④Trustee: Mitsubishi UFJ Trust and Banking Corporation
- ⑤Beneficiary: Members of Our Share Holding Associations who satisfy necessary conditions.
- ⑥Administrator: A third party that does not have an interest
- ⑦Date of Agreement: May 19, 2010 (scheduled)
- ⑧The Term of the Trust: May 19, 2010 (scheduled) to July 17, 2015 (scheduled)
- ⑨The Exercise of the Right to vote: ESOP Trust will exercise the right to vote according to the voting by the Associations.
- ⑩Type of stock to purchase: Common stock issued by Daiwa Securities Group, Inc.
- ⑪Total amount to purchase: 16 billion yen in amount
- ⑫Transaction Period in purchasing stocks: May 25, 2010 (schedule) to August 24, 2010 (schedule) except for the period between June 24 and June 30.
- ⑬Terms of acquisition: Purchasing stocks through the exchange market.

※The above agreements to be executed are due to the completion of the legal and other requirements.

(Parties in charge of Trustee and equity-related operations)

- ①Trustee operations: Mitsubishi UFJ Trust and Banking Corporation
- ②Daiwa Securities Capital Markets Co. Ltd. and Daiwa Securities Co. Ltd. will be in charge of equity-related operations (e.g. acquisition and sale of stocks relating to ESOP Trust).