

March 29, 2010

Daiwa Securities Group Inc.  
Daiwa Securities Capital Markets Co. Ltd.

Attention

This document is an unofficial translation of a press release announced on March 29, 2010, by Daiwa Securities Group Inc. and Daiwa Securities Capital Markets Co. Ltd. The original press release is in Japanese.

**Regarding the reorganization of the private equity business**

The Board of Daiwa Securities Capital Markets Co. Ltd. (Daiwa Securities CM) resolved to transfer 95% of the shares of Daiwa PI Partners Co. Ltd. (Daiwa PIP), which the Company owns, to Daiwa Investment Management Inc. (DIM), a wholly-owned subsidiary of Daiwa Securities Group Inc. (Daiwa) on April 1, 2010.

1. The transfer of the shares

Daiwa Securities CM aims to further enhance its earnings stability by reducing its risk exposure with the transition of Daiwa PIP from its subsidiary into a DIM subsidiary, in addition to the previous transition of Daiwa Securities SMBC Principal Investments Co. Ltd. (Daiwa SMBC-PI) into an entity 60% and 40% owned by Daiwa and Sumitomo Mitsui Financial Group, Inc. (SMFG), respectively. The transfer price of Daiwa PIP will be an amount determined by deducting an amount equivalent to its year-end dividends from its adjusted net asset value as of the end of March 2010.

Daiwa Quantum Capital Limited, which is a joint venture between Daiwa PIP and Quantum Leaps Corporation, will continue to pursue its fund management business without any change following this transfer. Daiwa Securities CM will retain 5% of the shares of Daiwa PIP for the purpose of maintaining the business synergy from the partnership with the company.

## 2. Outline of Daiwa PIP, DIM and Daiwa SMBC-PI

### Outline of Daiwa PIP

(as of March 28, 2010)

(1) Company Name	Daiwa PI Partners Co. Ltd.
(2) Address	1-9-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	President, Hideki Araki
(4) Description of business	Investment in private equities, financial loans including non-performing loans, and real estates, etc. Creating funds such as corporate and regional recovery funds, etc.
(5) Amount of capital	JPY 12,000 million
(6) Shareholders	Daiwa Securities Capital Markets Co. Ltd.: 100%

### Outline of DIM

(as of March 28, 2010)

(1) Company Name	Daiwa Investment Management Inc.
(2) Address	1-9-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	President, Toshihiko Onishi
(4) Description of business	Investment in private equities, financial loans including non-performing loans, and real estates, etc. Creating funds such as corporate and regional recovery funds, etc.
(5) Amount of capital	JPY 500 million
(6) Shareholders	Daiwa Securities Group Inc. : 100%

Outline of Daiwa SMBC-PI

(as of March 28, 2010)

(1) Company Name	Daiwa Securities SMBC Principal Investments Co. Ltd.
(2) Address	1-9-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	Chairman, Toshihiko Onishi President, Akira Inoue
(4) Description of business	Investment in private equities, financial loans including non-performing loans, and real estates, etc. Creating funds such as corporate and regional recovery funds, etc.
(5) Amount of capital	JPY 500 million
(6) Shareholders	Daiwa Investment Management Inc.: 60%
	Sumitomo Mitsui Banking Corporation: 40%

3. Outline of Daiwa Securities CM

(as of March 28, 2010)

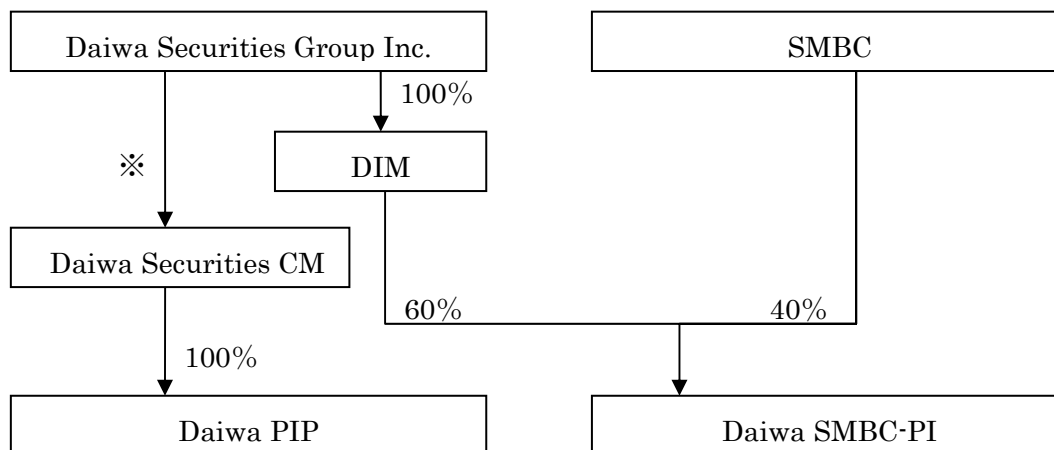
(1) Company Name	Daiwa Securities Capital Markets Co. Ltd.
(2) Address	1-9-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	President, Shin Yoshidome
(4) Description of Business	Sales & trading, intermediary, underwriting and any other business related to securities business
(5) Amount of capital	JPY 255,700 million
(6) Shareholders	Daiwa Securities Group Inc.: 99.97%
	Hinode Securities Co., Ltd.: 0.03%

#### 4. Prospects

The Company believes that this transfer will have only a minor effect on the earnings of Daiwa Securities Group.

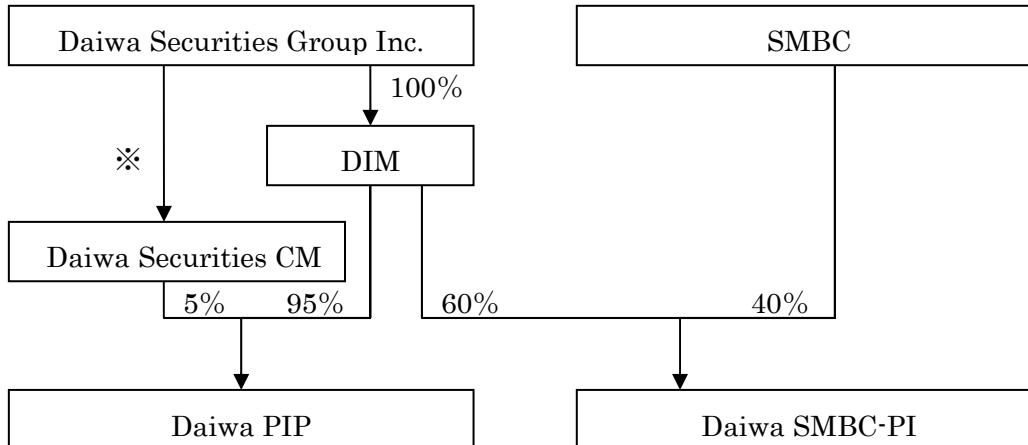
(Reference: capital structure after the transfer)

<Current Structure>



⌘ refer to 3.(6)

<Proposed Structure>



⌘ refer to 3.(6)