

Press Release

Attention:

This document is an unofficial translation and summary of a press release announced on April 28, 2009 by Daiwa Securities Group Inc. The original press release is in Japanese.

**Daiwa Securities Group Inc. to Commence Tender Offer for
Daiwa SMBC Capital Co., Ltd.**

April 28, 2009, Daiwa Securities Group Inc. (“Daiwa” or “Company”) has announced that its Executive Committee has decided to conduct a tender offer stipulated under Financial Instruments and Exchange Act (the “Tender Offer”) to acquire all outstanding common shares and stock acquisition rights of the listed consolidated subsidiary, Daiwa SMBC Capital Co., Ltd. (“Daiwa SMBC Capital” or the “Target Company”, stock exchange code 8458), excluding the treasury shares and shares held by Sumitomo Mitsui Banking Corporation (“SMBC”).

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

Daiwa currently holds 19,841,920 or 46.18% common shares of the Target Company, the majority of the board members of which consisted of the former Daiwa executives and employees, making the Target Company a consolidate subsidiary of Daiwa. Daiwa will acquire all outstanding shares excluding shares held by SMBC (40%) and treasury shares of the Target Company.

The board of the Target Company has resolved to approve the Tender Offer on April 28, 2009.

(2) Rationale and Background to the Tender Offer

The Daiwa Securities Group (Daiwa Group) consists of 44 consolidated subsidiaries and 6 equity-method affiliates. These companies conduct investment and financial service businesses including brokerage and dealing of investment securities and derivatives, underwriting and selling of primary and secondary offerings, private placements of securities, and other securities related and financial services. Daiwa Group’s operations cover not only Japan but also major overseas financial markets such as America, Europe, and Asia

Oceania. Through this global network, Daiwa Group provides wide spectrum of services that can meet the needs of clients worldwide in both funding and investment.

The Target Company roots back to Nippon Investment & Finance Co. Ltd. which was founded in August 1982. NIF Ventures Co., Ltd established investment partnership “NIF 1” in April 1983 and since has been cultivating new industries and ventures. Nippon Investment & Finance Co. Ltd. and Daiwa Finance Co. Ltd. merged in April 2000 and changed its name to NIF Ventures Co., Ltd, and became listed on JASDAQ in March 2002. In October 2005, NIF Ventures Co., Ltd. and SMBC Capital Co., Ltd., a subsidiary of Sumitomo Mitsui Financial Group merged and changed its name to NIF SMBC Ventures Co., Ltd, to maximize synergy by taking advantage of the business network of the two groups and form a close relationship with the two groups in the private equity business. The company name changed to Daiwa SMBC Capital Co., Ltd. in October 1, 2008 and has been registered under Financial Instruments and Exchange Act since March 2008. The Target Company and the group companies surrounding the Target Company (“Daiwa SMBC Capital Group”) consist of the Target Company and its 41 subsidiaries including 27 partnerships and 1 affiliate.

The investment operations conducted by Daiwa SMBC Capital Group have two categories, venture investments and buyout investments, which differs in investment targets and investment methods. The target for Venture investments are companies with advanced technology in digital technology, and life science etc., or companies with unique business models or contents. Daiwa SMBC Capital Group will provide liquidity as well as comprehensive advisory on management. For buyout investments, targets are spin off and spin outs of subsidiaries or divisions of large-size enterprises, privatization of listed companies, and medium-size companies seeking solution on business succession. Daiwa SMBC Capital Group provides restructuring solutions such as MBO and work closely with the existing management. Both venture investments and buyout investments are conducted through investment funds funded by domestic and overseas investors. Daiwa SMBC Capital Group receives management/ incentive/ agency fees by operation and administration of these funds.

At present, the environment surrounding the Target Company is challenging. The IPO listing companies were 187, 99 and 34 for FY 2006, FY2007 and FY2008 respectively, and the IPO price could not reach an attractive level and thus the weak exit environment of the investments were notable. Furthermore, the stock market declined and the volatility significantly increased in the currency market due to the financial crisis originated in the US,

which accordingly negatively impacted the corporate earnings. The liquidity decreased and enterprise value of the invested companies deteriorated as the economy slowed down, and it was difficult for the Target Company to anticipate adequate returns, needless to say, the Target Company needed to post considerable amount of provisions for loss on such investments.

In addition, the outlook on the Japanese stock markets remains uncertain and the primary equity markets forecast do not show a significant recovery. The market environment of the Target Company remains uncertain as well. the Target Company's net loss for FY2008 ending in March 2009 was JPY 5,804 million, worse than a net loss of JPY 5,485 million for FY2007.

In order to improve enterprise value under such circumstances, the Company evaluated the need for the Target Company to promptly fundamentally reform by enhancing sourcing capabilities on investments, further improvement on providing solutions and advising management, expanding into Asia and upgrading the overseas network, increase buyout investments, diversifying exit opportunities in order to stabilize income during challenging IPO markets and marketing. Such reform needs to be conducted under a mobile and flexible organization.

However, the upfront cost for such reform may significantly and negatively affect the earnings of Target Company until sustained growth; especially expanding into Asia will take a longer period to realize actual results notwithstanding the uncertainty of such results. As a consequence, the Target Company's financial results may be unstable for a longer than expected tenor and not be able to meet its shareholders' expectations.

In addition, the above mentioned reform cannot be achieved without utilizing the business network and recourses of Daiwa and SMBC, and further support from both parties

Daiwa and the Target Company have the common view on the such situation and carefully considered the ideal future of the Target Company. Daiwa also carefully discussed with SMBC on how both parties envision the future path of the Target Company. Daiwa and SMBC both agreed the net loss of the Target Company is due to the recent deterioration of market environment and such market environment would remain for the foreseeable future. The two parties also agreed that establishing a mobile and flexible management is essential for the Target Company to achieve sustainable mid-term growth, and the existence of

numerous shareholders may discourage fundamental reform or flexible measures and adversely result in the shareholders' best interest. Consequently, Daiwa and SMBC determined that the concentration of the shares to the two parties is the best solution and decided to commence the Tender Offer.

(3) Measures taken to Secure Fairness on the Purchase Price, Preventive Measures against Conflict of Interest and any Other Measures taken to Obtain Fairness of the Tender Offer

Daiwa and the Target Company have conducted the following measures to secure fairness of the Tender Offer by securing the fairness on the measures on the purchase price, on clearing arbitrariness of the resolution for the Tender Offer, and on the avoidance of conflict of interest.

Daiwa obtained a valuation report on April 23, 2009 from Daiwa Securities SMBC Co. Ltd. ("Daiwa Securities SMBC"), the financial advisor of the Tender Offer on the purchase price per share (the "Tender Offer Price"). Daiwa has not obtained a fairness opinion from Daiwa Securities SMBC. The Tender Offer Price JPY 563 is based on the price range offered in the appraisal prepared by Daiwa Securities SMBC which was JPY 355 to JPY 708. The Tender Offer Price was determined by analyzing the likelihood of the approval by the Target Company, the market trend of the Target Company's share price, historical premium paid on previous TOBs conducted in the market, and the prospect on the achieving the Tender Offer. The Company also received necessary legal advice from Nagashima Ohno & Tsunematsu on the Tender Offer. The Tender Offer Price was resolved at the Executive Committee of Daiwa on April 28, 2009.

Daiwa Securities SMBC is a subsidiary of the Company and is a related party of the Company. According to the Target Company, the board meeting of the Target Company retained a third party appraiser, Deloitte Tohmatsu FAS and obtained a valuation report on April 24, 2009 and verified the Tender Offer Price. (The Target Company did not obtain a fairness opinion from Deloitte Tohmatsu FAS.)

The third party appraiser, Deloitte Tohmatsu FAS, adopted average market share price method and discounted cash flow method based on the projection prepared by the Target Company.

The valuation calculated by average market share price method was JPY 359 to JPY 433. The relevant date is April 23, 2009 and price range was calculated from the average closing price for the recent 1 month (20 business days), 3 month (60 business days) and 6 month (120 business days) on the JASDAQ stock exchange.

The valuation calculated by the discounted cash flow method was JPY 534 to JPY 611. Such range was calculated by discounting cash flow that the Target Company is expected to generate in the future based on the projection prepared by the Target Company.

As stated above, the Company and the Target Company separately obtained valuation from a third appraiser in order to verify the Tender Offer Price and accord of such Tender Offer.

The Tender Offer Price of JPY 563 represents a premium of 30.63% (rounded to the second decimal place) of the closing price of JPY 431 on JASDAQ stock exchange on April 27, 2009. It also represents a premium of 30.32% (rounded to the second decimal place) on the simple arithmetic average of JPY 432 (rounded to the nearest yen) for the past 1 month through April 27, 2009 as well as a premium of 55.96% (rounded to the second decimal place) on the simple arithmetic average of JPY 361 (rounded to the nearest yen) of the closing price for the past 3 month through April 27, 2009.

The board of the Target Company received necessary legal advice from Yanagida & Partners upon representation of intention and decision on measures to secure fairness on the decision on the Tender Offer and carefully considered the terms of the Tender Offer.

The board of the Target Company decided that the Tender Offer Price was reasonable after carefully considering the Tender Offer Price, taking comprehensively into account the valuation provided by Deloitte Tohmatsu FAS. As the Tender Offer Price represents a significant premium to the average market share price method and is within the range calculated upon discounted cash flow method. The board resolved on a unanimous vote to support the Tender Offer as it will not only strengthen the business base but also contribute to reform existing business and future developments. The board of the Target Company also made a unanimous vote on to recommend existing shareholders to subscribe the Tender Offer.

All Target Company board members participated in the discussions and all board of

corporate auditors except for Mr. Koichi Noda, an independent corporate auditor who is also an employee of SMBC. All corporate auditors present at the board meeting voted for the resolution. Mr. Noda is also an employee of SMBC who will not tender its shares as stated in (4) below, did not participate in any of the discussions or resolutions concerning the Tender Offer in avoidance of conflict of interest. There are no interlocking directors between the Target Company and Daiwa.

(4) Matters Concerning Material Agreement between Company and Shareholder of Target Company With Respect to the Application to Tender Offer

Daiwa and SMBC and its parent SMFG have signed a memorandum on April 28, 2009 agreeing the following;

1. The shares will be held only by Daiwa and SMBC, and will cooperate to fulfill such condition
2. Agree on the Tender Offer for restructuring capital structure
3. Jointly exercise the voting rights and other rights represented by the shares of the Target Company and take any necessary course of action in order fully complete the Tender Offer.

Daiwa has acknowledged that there is no intention for SMBC to tender its Target Company shares.

(5) Planned Organizational Restructuring after Tender Offer (Matters Concerning the Squeeze-Out Process)

If the Company is unable to acquire all issued shares of the Target Company (excluding treasury shares) other than the shares held by SMBC through the Tender Offer, the Company intends to undertake, after the completion of the Tender Offer, the procedures whereby the Company and SMBC will, in the aggregate, be able to acquire all issued shares of the Target Company (excluding treasury shares) while offering opportunities to the shareholders of the Target Company, other than the Company and SMBC to sell their shares.

Specifically, after the completion of the Tender Offer, the Company will request the Target Company to hold an extraordinary general meeting of shareholders with an agenda pursuant to which the Target Company will (a) partially amend the Articles of Incorporation of the Target Company so that the Target Company becomes a Corporation Issuing Class

Shares (shurui kabushiki hakko kaisha), as defined in the Companies Act; (b) partially amend the Articles of Incorporation of the Target Company after the amendment set forth in (a) above to make all shares of common stock issued by the Target Company redeemable upon the resolution of a shareholders meeting (zenbu shutoku joko; a provision concerning the matter set forth in Article 108, Paragraph 1, Item 7 of the Companies Act); and (c) deliver a separate class of shares of the Target Company to shareholders in exchange for the redemption of all such shares of common stock.

If each of the above procedures is implemented, all shares of common stock of the Target Company will be subject to the above redemption provision and will be acquired by the Target Company, except for the treasury shares owned by the Target Company, and a separate class of shares of the Target Company will be delivered to the shareholders of the Target Company in consideration for the redemption. The shareholders of the Target Company who are entitled to receive fractional shares consisting of less than one share in consideration for such redemption will, however, receive cash obtained through the sale of the aggregate number of such fractions (if the aggregate number has a fraction of less than one whole share, such fraction will be rounded off; the same shall apply hereinafter) in accordance with the provisions of Article 234 of the Companies Act and other related laws and regulations. The selling price of the total number of such fractions (and the amount of cash to be delivered to the shareholders as a result of such sale) will be calculated based on the purchase price of the Share Certificates of the Target Company in the Tender Offer (the "Tender Offer Price"); however, the selling price may differ from the Tender Offer Price due to a difference in the point of time of the calculation. Although the class and the number of shares to be delivered in consideration for such acquisition of shares of common stock, which are subject to the redemption provision, are not yet determined as of the date hereof, the Company intends to request the Target Company to cause the numbers of shares that are to be allocated to the shareholders of the Target Company, other than the Company and SMBC, to be fractions less than one share so that the Company and SMBC will, in the aggregate, be able to own all issued and outstanding shares of the Target Company (excluding treasury shares).

For the purpose of protecting the rights of minority shareholders in the procedures stated in (a) through (c) above, the Companies Act provides that (i) upon the amendment of the Articles of Incorporation to make all shares of common stock issued by the Target Company redeemable as stated in (b) above, a dissenting shareholder may demand that the Company purchase his or her shares in accordance with the provisions of Articles 116 and 117 of the

Companies Act and related laws and regulations and (ii) if the acquisition of all shares that are subject to the redemption provision stated in (c) above is resolved at the above extraordinary general meeting of shareholders, a dissenting shareholder may file a claim to determine the redemption price of such shares in accordance with Article 172 of the Companies Act and other related laws and regulations. As the decision on the purchase price and the redemption price per share under (i) and (ii) above will be ultimately rendered by the court, the price shareholders will obtain through (i) or (ii) above may be different from the Tender Offer Price. In making a demand or petition under these measures, it is the responsibility of each shareholder to confirm the required procedures and to make the relevant determination of whether to proceed. The Company may implement other measures which have an effect equivalent to that obtained through the procedures stated in (a) through (c) above depending on factors including interpretations of the relevant laws and regulations by the relevant governmental authorities, the status of ownership of Share Certificates by the Company and SMBC after the completion of the Tender Offer and the status of the ownership of Share Certificates of the Target Company by the shareholders of the Target Company other than the Company and SMBC. However, even then the Company will adopt a measure under which the Company will eventually deliver cash to the shareholders of the Target Company, other than the Company and SMBC, so that the Company and SMBC will, in the aggregate, be able to own all shares issued by the Target Company (excluding treasury shares). In this case, the amount of cash to be delivered to such shareholders of the Target Company will be calculated based on the Tender Offer Price, and such amount may be different from the Tender Offer Price.

If the Company is unable to acquire all stock acquisition rights (the "Stock Acquisition Rights") of the Target Company despite of the completion of the Tender Offer, the Company will request the Target Company to take the necessary procedures to terminate the Stock Acquisition Rights, and the Target Company may conduct such procedures upon such request.

The Tender Offer is not intended to solicit shareholders' approval in the general meeting of shareholders and the general meeting of the shareholders as a class mentioned above. The shareholders are requested to consult their tax advisors at their own responsibility with respect to the tax consequences of each of the above procedures.

(6) Prospects for Delisting

The common stock of the Target Company is currently listed on the JASDAQ Stock

Exchange. However, since the Company has not set a maximum number of Share Certificates to be purchased through the Tender Offer, such common stock may, depending on the result of Tender Offer, be delisted upon the completion of the Tender Offer after the prescribed procedures are taken in accordance with the criteria for delisting (the “Criteria for Delisting”) in JASDAQ Stock Exchange. In addition, even if the Criteria for Delisting are not applicable as a result of the Tender Offer, it is anticipated that all issued shares of the Target Company (excluding treasury shares) will be owned by the Company and SMBC as a result of the procedures stated in “(5) Planned Organizational Restructuring after Tender Offer (Matters Concerning the Squeeze-Out Process)” below to be conducted after the completion of the Tender Offer. In this case, the Criteria for Delisting will be applicable and the common stock of the Target Company will be delisted. If the common stock of the Target Company is delisted, shares of the common stock of the Target Company may no longer be traded on the JASDAQ Stock Exchange.

2. Description of the Tender Offer

(1) Description of the Target Company

a. Trade Name	Daiwa SMBC Capital Co., Ltd.	
b. Business Description	Private Equity Investments	
c. Date of Incorporation	October 20, 1983	
d. Address of Head Office	1-8-10, Kudan Kita, Chiyoda –ku, Tokyo	
e. Name and Title of Representative	President and CEO, Kazuo Ariake	
f. Paid-in Capital	18,767,257,225 yen (as of April 1, 2009)	
g. Major Shareholders and Shareholding Ratio (as of Sept. 30, 2008)	Daiwa	46.18%
	SMBC	40.00%
	KISSEI PHARMACEUTICAL CO.,LTD.	1.08%
	Yuji Mibu	0.16%
	The Bank of New York Treaty Jasdec Account (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ,Ltd.)	0.15%
	Mitsui Sumitomo Insurance Company, Limited	0.11%
	Itaro Nishida	0.10%
	The Bank of Ikeda, Ltd.	0.10%
	Daiwa Securities Co. Ltd.	0.10%
h. Relationship between the Company and the Target Company	Capital Relationship	The Company currently owns 46.18% or 19,841,920 shares of all issued shares of the Target Company, as of April 28, 2009.

	Personnel Relationship	Among the directors of the Target Company, Messrs. Kazuo Ariake, Junichiro Wakimizu and Yoshihide Simamura were an employee of the Company.
	Transactional Relationship	Among Daiwa group companies, Daiwa Securities Co. Ltd. or Daiwa Securities SMBC Co. Ltd. refers investment opportunities to the Target Company.
	Related Party Relationship	The Target Company is a consolidated subsidiary of the Company.

(2) Tender Offer Period

a. Period for Tender Offer Planned at the time of the Filing of the Registration Statement

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

b. Possible Extension of Tender Offer Period Based on Target Company's Request

N/A

(3) Tender Offer Purchase Price

① JPY 563 per share of 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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

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"):

1 yen per warrant

(4) Grounds for calculating the Tender Offer price

1) Basis of calculation

(i) Shares

The Company referred to an assessment report of equity value dated on April 23, 2009, formulated by Daiwa Securities SMBC Co. Ltd., its financial advisor, in determining the Tender Offer Price. Daiwa Securities SMBC Co. Ltd. assessed the share price of the Target Company based on the Target Company's profitability, assets, projection and any other aspects, using the average market share price method (the volume weighted average price for the 1 month from March 23 to April 22, 2009, 3 month from January 23 to April 22, 2009) and the dividend discount model ("DDM"), which is a sort of a discounted cash flow method. According to the report stated above, the Target Company's share price was assessed at from 355 yen to 427 yen under the market share price averaging method, and from 545 yen to 708 yen under DDM.

The Company took the results of the above mentioned appraisal into consideration and discussed the premium within the range from the lowest 355 yen to the highest 708 yen under the discounted cash flow method. The Company also looked at the premiums added to the prices of shares in tender offers conducted by companies other than the issuer in the past, the likelihood of obtaining the Target Company's acceptance of the Tender Offer, the trends in the market price of the shares of the Target Company, and the prospects of applications to the Tender Offer, and determined that it was appropriate to propose to the existing shareholders a purchase price which was calculated by adding an appropriate premium to the market value of the shares of the Target Company. The Company determined the purchase price of the common stock in the Tender Offer to be 563 yen per share.

The Tender Offer Price of JPY 563 represents a premium of 30.63% of the closing price of JPY 431 on JASDAQ stock exchange on April 27, 2009. It also represents a premium of 30.32% on the simple arithmetic average of JPY 432 for the past 1 month through April 27, 2009 as well as a premium of 55.96% on the simple arithmetic average of JPY 361 of the closing price for the past 3 month through April 27, 2009.

(ii) Stock Acquisition Rights

1) Stock Acquisition Rights with Exercise Price other than 1 yen

As of April 28, 2009, the exercise price of the Second Stock Acquisition Rights was 2,018 yen per share, which was 1,455 yen higher than the Tender Offer price of 563 yen.

As of April 28, 2009, the exercise price of the Third Stock Acquisition Rights was 4,263 yen per share, which was 3,700 yen higher than the Tender Offer price of 563 yen.

As of April 28, 2009, the exercise price of the Stock Acquisition Rights to be issued in August 2006 III was 4,303 yen per share, which was 3,740 yen higher than the Tender Offer price of 563 yen.

As of April 28, 2009, the exercise price of the Stock Acquisition Rights to be issued in September 2007 B was 1,713 yen per share, which was 1,150 yen higher than the Tender Offer price of 563 yen.

As of April 28, 2009, the exercise price of the Stock Acquisition Rights to be issued in September 2008 B was 992 yen per share, which was 429 yen higher than the Tender Offer price of 563 yen.

The above mentioned Stock Acquisition Rights namely, Second Stock Acquisition Rights, Third Stock Acquisition Rights, Stock Acquisition Rights to be issued in August 2006 III, Stock Acquisition Rights to be issued in September 2007 B, and Stock Acquisition Rights to be issued in September 2008 B are (a) the exercise price of the warrants are above the Tender Offer Price of 563 yen, (b) were issued as part of the broader stock option plan for directors and employees of the Target Company, and i) the warrants will be terminated if the holder is or express intention to retire from a director or employee on his or her own reasons for Second Stock Acquisition Rights, Third Stock Acquisition Rights, Stock Acquisition

Rights to be issued in August 2006 III, and ii) the warrants will be valid if the holder is a director or employee or have not express the intention to retire from a director or employee for Stock Acquisition Rights to be issued in September 2007 B, and Stock Acquisition Rights to be issued in September 2008 B. Accordingly, the Company has determined the purchase price of Stock Acquisition Rights at 1 yen, on the ground that even if Stock Acquisition Rights were purchased under the Tender Offer they could not be exercised.

2) Stock Acquisition Rights with Exercise Price of 1 yen

For Stock Acquisition Rights other than mentioned in 1) above, namely, Stock Acquisition Rights issued in November 2005, Stock Acquisition Rights to be issued in September 2006 II, Stock Acquisition Rights to be issued in September 2006 I, Stock Acquisition Rights to be issued in September 2007 A, Stock Acquisition Rights to be issued in September 2007 I, Stock Acquisition Rights to be issued in September 2008 A, Stock Acquisition Rights to be issued in September 2008 I, the exercise price is 1 yen. However, the Stock Acquisition Rights were issued as part of the broader stock option plan for directors and executive officers of the Target Company, and with the exception of the 30 days prior to the expiration date which is 20 years from one day subsequent to the issue date (November 1, 2025 at the earliest), the these rights would be exercisable on the following day after the director of the board, executive officer, or employees in any relevant positions of the Target Company or its affiliates, appointed by the board of the Target Company, lose their status. . Accordingly, the Company has determined the purchase price of Stock Acquisition Rights at 1 yen, on the ground that even if Stock Acquisition Rights were purchased under the Tender Offer they could not be exercised.

2) Basis of calculation

(i) Shares

Daiwa and the Target Company have conducted the following measures to secure fairness of the Tender Offer by securing the fairness on the measures on the purchase price, on clearing arbitrariness of the resolution for the Tender Offer, and on the avoidance of conflict of interest.

Daiwa obtained a valuation report on April 23, 2009 from Daiwa Securities SMBC Co. Ltd. ("Daiwa Securities SMBC"), the financial advisor of the Tender Offer on the purchase price per share (the "Tender Offer Price"). Daiwa have not obtained a fairness opinion from Daiwa Securities SMBC. The Tender Offer Price JPY 563 is based on the price range offered in the appraisal prepared by Daiwa Securities SMBC which was JPY 355 to JPY 708. The Tender

Offer Price was determined by analyzing the likelihood of the approval by the Target Company, the market trend of the Target Company's share price, historical premium paid on previous TOBs conducted in the market, and the prospect on the achieving the Tender Offer. The Company also received necessary legal advice from Nagashima Ohno & Tsunematsu on the Tender Offer. The Tender Offer Price was resolved at the Executive Committee of Daiwa on April 28, 2009.

Daiwa Securities SMBC is a subsidiary of the Company and is a related party of the Company. According to the Target Company, the board meeting of the Target Company retained a third party appraiser, Deloitte Tohmatsu FAS and obtained a valuation report on April 24, 2009 and verified the Tender Offer Price. (The Target Company did not obtain a fairness opinion from Deloitte Tohmatsu FAS.)

The third party appraiser, Deloitte Tohmatsu FAS, adopted average market share price method and discounted cash flow method based on the projection prepared by the Target Company.

The valuation calculated by average market share price method was JPY 359 to JPY 433. The relevant date is April 23, 2009 and price range was calculated from the average closing price for the recent 1 month (20 business days), 3 month (60 business days) and 6 month (120 business days) on the JASDAQ stock exchange.

The valuation calculated by the discounted cash flow method was JPY 534 to JPY 611. Such range was calculated by discounting cash flow that the Target Company is expected to generate in the future based on the projection prepared by the Target Company.

As stated above, the Company and the Target Company separately obtained valuation from a third appraiser in order to verify the Tender Offer Price and accord of such Tender Offer.

The Tender Offer Price of JPY 563 represents a premium of 30.63% (rounded to the second decimal place) of the closing price of JPY 431 on JASDAQ stock exchange on April 27, 2009. It also represents a premium of 30.32% (rounded to the second decimal place) on the simple arithmetic average of JPY 432 (rounded to the nearest yen) for the past 1 month through April 27, 2009 as well as a premium of 55.96% (rounded to the second decimal place) on the simple arithmetic average of JPY 361 (rounded to the nearest yen) of the closing price for the past 3 month through April 27, 2009.

The board of the Target Company received necessary legal advice from Yanagida & Partners upon representation of will and decision on measures to secure fairness on the decision on the Tender Offer and carefully considered the terms of the Tender Offer.

The board of the Target Company decided that the Tender Offer Price was reasonable after carefully considering the Tender Offer Price, taking comprehensively into account the valuation provided by Deloitte Tohmatsu FAS. As the Tender Offer Price represents a significant premium to the average market share price method and is within the range calculated upon discounted cash flow method. The board resolved on a unanimous vote to support the Tender Offer as it will not only strengthen the business base but also contribute to reform existing business and future developments. The board of the Target Company also made a unanimous vote on to advice existing shareholders to subscribe the Tender Offer.

All Target Company board members participated in the discussions and all board of corporate auditors except for Mr. Koichi Noda, an independent corporate auditor who is also an employee of SMBC. All corporate auditors present at the board meeting voted for the resolution. Mr. Noda, is also an employee of SMBC who will not tender its shares as stated in (4) below, did not participate in any of the discussions or resolutions concerning the Tender Offer in avoidance of conflict of interest. There are no interlocking directors between the Target Company and Daiwa.

(ii) Stock Acquisition Rights

For Stock Acquisition Rights with Exercise Price other than 1 yen, namely, Second Stock Acquisition Rights, Third Stock Acquisition Rights, Stock Acquisition Rights to be issued in August 2006 III, Stock Acquisition Rights to be issued in September 2007 B, and Stock Acquisition Rights to be issued in September 2008 B are (a) the exercise price of the warrants are above the Tender Offer Price of 563 yen, (b) were issued as part of the broader stock option plan for directors and employees of the Target Company, and i) the warrants will be terminated if the holder is or express intention to retire a director or employee on his or her own reasons for Second Stock Acquisition Rights, Third Stock Acquisition Rights, Stock Acquisition Rights to be issued in August 2006 III, and ii) the warrants will be valid if the holder is a director or employee or have not express intention to retire from a director or employee for Stock Acquisition Rights to be issued in September 2007 B, and Stock Acquisition Rights to be issued in September 2008 B. Accordingly, the Company has determined the purchase price of Stock Acquisition Rights at 1 yen, on the ground that even

if Stock Acquisition Rights were purchased under the Tender Offer they could not be exercised.

For Stock Acquisition Rights with Exercise Price of 1 yen, namely, Stock Acquisition Rights issued in November 2005, Stock Acquisition Rights to be issued in September 2006 II, Stock Acquisition Rights to be issued in September 2006 I, Stock Acquisition Rights to be issued in September 2007 A, Stock Acquisition Rights to be issued in September 2007 I, Stock Acquisition Rights to be issued in September 2008 A, Stock Acquisition Rights to be issued in September 2008 I, the exercise price is 1 yen. However, the Stock Acquisition Rights were issued as part of the broader stock option plan for directors and executive officers of the Target Company, and with the exception of the 30 days prior to the expiration date which is 20 years after one day subsequent to the issue date (November 1, 2025 at the earliest), these rights would be exercisable on the following day after the director of the board, executive officer, or employees in any relevant positions of the Target Company or its affiliates, appointed by the board of the Target Company, lose their status. Accordingly, the Company has determined the purchase price of Stock Acquisition Rights at 1 yen, on the ground that even if Stock Acquisition Rights were purchased under the Tender Offer they could not be exercised.

3) Relationship with the Equity Value Assessing Firm

Daiwa Securities SMBC is a subsidiary of the Company and is a relevant party.

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

Type	1) Number of Shares to be Purchased	2) Minimum Number of Shares to be Purchased	3) Maximum Number of Shares to be Purchased
Share Certificates	5,743,480 shares	— shares	— shares
Stock Acquisition Rights	248,100 shares	— shares	— shares
Corporate bonds with Stock Acquisition Rights	— shares	— shares	— shares
Trust Beneficiary Certificates for Share Certificates	— shares	— shares	— shares
Depository Receipt for Share Certificates	— shares	— shares	— shares
Total	5,991,580 Shares	— shares	— shares

Notes:

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 Stock Acquisition Rights by the closing day of the Tender Offer Period.
3. There is no plan to acquire the treasury stock and Stock Acquisition Rights held by the Target Company through the Tender Offer.
4. 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) 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.
5. 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.

(6) Changes in Ownership Percentage of Share Certificates due to the Tender Offer

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 to be Purchased	59,915 units	(Ownership Percentage of Share Certificates After the Tender Offer: 100.00%)
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 “Number of Voting Rights Represented by Share Certificates to be Purchased” indicates the number of voting rights represented by shares to be purchased in the Tender Offer (5,991,580 Shares)
3. 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. 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 treasury 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. As The Tender Offer also covers shares of the Target Company, which may be issued by exercising the Stock Acquisition Rights by the closing day of the Tender Offer Period, and since the “Number of Voting Rights Represented by Share Certificates to be Purchased” includes the voting rights of the shares which may be issued by exercising the Warrants, the total voting rights for calculation of “Ownership Percentage of Share Certificates After the Tender Offer” is 430,205 units by adding 2,481 units that represents the maximum number of shares of the Target Company (248,100 shares as of Dec. 31, 2008) which may be issued by exercising the Warrants as stated on the 3Q financial statement (the 26th business term) submitted on Feb. 12, 2009, to 427,724 units as stated in Note 3. above.

5. The Tender Offer also covers the voting rights represented by share certificates owned by specially related parties (excluding the treasury shares held by the Target Company). Since SMBC will not tender Target Company shares, the voting rights (171,871 units) representing the shares held by SMBC (17,178,000 shares) are deducted from the "Number of Voting Rights Represented by Share Certificates to be Purchased". Therefore, voting rights held by SMBC (171,870 units) are used in the calculation for "Ownership Percentage of Share Certificates After the Tender Offer", instead of "Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties Prior to the Tender Offer".
6. Percentages of shareholding before and after the Tender Offer were rounded to the nearest hundredth.

(7) Total Purchase Price is 3,313 Million Yen

Note: The shares to be purchase through the Target Offer is 5,884,980 shares which represents the sum of the actual number of shares to be purchased through the Tender Offer of 5,991,580 shares minus the shares (106,600) of the Stock Acquisition Rights which exercise period have not yet commenced, namely, Stock Acquisition Rights to be issued in August 2006 III, Stock Acquisition Rights to be issued in September 2007 B, and Stock Acquisition Rights to be issued in September 2008 B (except for Stock Acquisition Rights held by the Target Company including terminated Stock Acquisition Rights). The total purchase price is calculated by multiplying 5,884,980 by the Tender Offer Price, plus the Stock Acquisition Rights (1,066 warrants) which exercise period have not yet commenced multiplied by 1 yen. In case the Maximum Limit (23,178,580) is purchased, with same calculation for the Stock Acquisition Rights stated herein, the total purchase price is 12,990 million yen.

(8) Settlement Method

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

2. Commencement Date of Settlement
Thursday, June 25, 2009

3. 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 pay at its head office or any domestic branch of the Tender Offer Agent or the subagent without delay after settlement begins.

(9) Other Conditions and Methods of Tender Offer

a) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act

N/A

The Company shall purchase all the tendered Share Certificates.

b) Conditions of Withdrawal of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal

Upon the occurrence of any event listed in If any event described in Item 1 (i) to (ix), (xii) or (xviii), Item 2, Item 3 (i) to (viii), and Item 3 to 6 of Paragraph 2 of the Article 14 of the implementation Orders (“Orders”) of the Law occurs, the Tender Offer may be withdrawn. In case of withdrawal, an electronic public notice will be placed and a notification to that effect will be placed in the Nihon Keizai Shimbun. However, if it is impractical to publicly notify by the last day of the Tender Offer period, the Company will make an announcement in accordance with the Article 20 of the Cabinet Office (Ordinance MOF Ordinance No. 38 of 1990 as amended, the “Ordinance”), and officially notify immediately thereafter.

c) Conditions for and Details of Reducing Purchase Price and Procedure for Disclosure of Price Reduction

In case the Target Company takes any of the actions set out in 13.1 of the Orders during the Tender Offer period, the bidder may under the provisions of 19.1 of the Ordinance reduce the purchase price under the provisions of 27.6.1.1 of the Law.

In case of price reduction, an electronic public notice will be placed and a notification to that effect will be placed in the Nihon Keizai Shimbun. However, if it is impractical to publicly notify by the last day of the Tender Offer period, the Company will make an announcement

in accordance with the Article 20 of the Ordinance and officially notify immediately thereafter. If the purchase price is reduced, the Company will purchase any Share Certificates tendered prior to the date of such public notice at the reduced purchase price.

d) Matters Concerning Tendering Shareholders' Right of Cancellation of Agreement

Tendering Shareholders may, at any time during the Tender Offer Period, cancel any agreement concerning the Tender Offer. In order to cancel any such agreement made through the Tender Offer Agent, the Tendering Shareholders must deliver or mail a written request for the cancellation of the application for the Tender Offer ("Written Request for Cancellation"), enclosing the receipt for the submission of an application for the Tender Offer to the head office or any branch office in Japan of the Tender Offer Agent or the subagent by 16:00 on the last day of the Tender Offer Period. If by mail, the cancellation of the acceptance of the Tender Offer will not be effective unless the Written Request for Cancellation is delivered by 16:00 on the last day of the Tender Offer Period.

No compensation for damages or penalty payment will be demanded of any Tendering Shareholders by the Company even if the agreement is canceled by the Tendering Shareholders. The cost of returning the tendered Share Certificates will be borne by the Company. In case the Tendering Shareholder cancels the agreement, the account opened at the Tender Offer Agent or the subagent will be recovered to the conditions when the shares were tendered, after the second business day following the final date of the Tender Offer Period (in case of a withdrawal, the date the withdrawal was made) with out delay. In case a share warrant was tendered, the share warrant will be returned.

e) Procedure for Disclosure if the Conditions or Other Terms of Tender Offer Are Changed
The terms and conditions or other terms of the Tender Offer may change unless prohibited under Article 27-6, Paragraph 1 of the Law.

Should any conditions or other terms of the Tender Offer be changed, the Company will give electronic public notice and give notice of such electronic public notice in The Nihon Keizai Shimbun; provided, however, that if it is deemed difficult to make such public notice on or prior to the last day of the Tender Offer Period, the Company will make a public announcement in such manner as provided for in Article 20 of the Ordinance, and officially notify immediately thereafter. When changes conditions or other terms, the purchase will be made accordance with the conditions etc. after such change(s) with regard to the share certificates and other securities tendered before such public notice is made.

f) Method of Disclosure if Amendment Statement Is Filed

If an amendment statement is filed with the Director-General of the Kanto Local Finance Bureau, the Company will promptly make a public announcement of the contents of such amended statement to the extent such amendments relate to matters included in the public notice of the commencement of the Tender Offer in accordance with the manner set forth in Article 20 of the Ordinance. The Company will also promptly amend the Tender Offer circular and provide the amended Tender Offer circular to the Tendering Shareholders who have received the original Tender Offer circular. If the amendments are limited in extent, however, the Company may, instead of providing an amended Tender Offer circular, prepare and deliver a document stating the reason for the amendments, the matters amended and the details thereof to the Tendering Shareholders.

g) Method of Disclosure of Results of Tender Offer

The Company will announce the results of the Tender Offer in such manner as provided for in Article 9-4 of the Cabinet Enforcement Order and Article 30-2 of the Ordinance on the day following the last day of the Tender Offer Period.

h) Other

The Tender Offer will not be carried out in the U.S. or for the U.S., directly or indirectly, nor will it be conducted using U.S. mail, other methods or means of inter-state trade or international trade (including but not limited to, facsimile, e-mail, Internet communication, telex, telephone) or securities exchange facilities in the U.S. Applying for the Tender Offer, using the methods or means described above or via securities exchange facilities in the U.S., is not permitted.

The Tender Offer circular and relevant documents may not be sent or distributed in, to, or from the U.S by mail or other means. Such mail or distribution is not authorized. Application for the Tender Offer violating the above restrictions directly or indirectly will not be processed.

In case of application, applicant shareholders (standing agent in case of foreign shareholders) may be asked to represent and warrant for the Tender Offer agent to the effect that they are not in the U.S. neither at the time of the application nor the time of sending an application form for the Tender Offer, that no information regarding the Tender Offer, including copies, has been received or sent in, to or from the U.S., directly or indirectly, that mail systems in the U.S., other methods or means of inter-state trade or international

trade (including but not limited to, facsimile, e-mail, Internet communication, telex, telephone) or securities exchange facilities in the U.S. have not been used for signing and delivering the application form for the Tender Offer, directly or indirectly, and that they are not acting as an agent, custodian or a mandatory for others without discretion (excluding cases where such others are giving all the instructions on the Tender Offer from outside the U.S.).

(10) The date of public announcement of the commencement of the Tender Offer

Thursday, April 30, 2009

(11) Tender Offer agent

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

3. Management Policy and Outlook after the Tender Offer

If the Company is unable to acquire all issued shares of the Target Company (excluding treasury shares) other than the shares held by SMBC through the Tender Offer, the Company intends to undertake, after the completion of the Tender Offer, the procedures whereby the Company and SMBC will, in the aggregate, be able to acquire all issued shares of the Target Company (excluding treasury shares) while offering opportunities to the shareholders of the Target Company, other than the Company and SMBC to sell their shares.

Specifically, after the completion of the Tender Offer, the Company will request the Target Company to hold an extraordinary general meeting of shareholders with an agenda pursuant to which the Target Company will (a) partially amend the Articles of Incorporation of the Target Company so that the Target Company becomes a Corporation Issuing Class Shares (shurui kabushiki hakko kaisha), as defined in the Companies Act; (b) partially amend the Articles of Incorporation of the Target Company after the amendment set forth in (a) above to make all shares of common stock issued by the Target Company redeemable upon the resolution of a shareholders meeting (zenbu shutoku joko; a provision concerning the matter set forth in Article 108, Paragraph 1, Item 7 of the Companies Act); and (c) deliver a separate class of shares of the Target Company to shareholders in exchange for the redemption of all such shares of common stock.

If each of the above procedures is implemented, all shares of common stock of the Target

Company will be subject to the above redemption provision and will be acquired by the Target Company, except for the treasury shares owned by the Target Company, and a separate class of shares of the Target Company will be delivered to the shareholders of the Target Company in consideration for the redemption. The shareholders of the Target Company who are entitled to receive fractional shares consisting of less than one share in consideration for such redemption will, however, receive cash obtained through the sale of the aggregate number of such fractions (if the aggregate number has a fraction of less than one whole share, such fraction will be rounded off; the same shall apply hereinafter) in accordance with the provisions of Article 234 of the Companies Act and other related laws and regulations. The selling price of the total number of such fractions (and the amount of cash to be delivered to the shareholders as a result of such sale) will be calculated based on the purchase price of the Share Certificates of the Target Company in the Tender Offer (the "Tender Offer Price"); however, the selling price may differ from the Tender Offer Price due to a difference in the point of time of the calculation. Although the class and the number of shares to be delivered in consideration for such acquisition of shares of common stock, which are subject to the redemption provision, are not yet determined as of the date hereof, the Company intends to request the Target Company to cause the numbers of shares that are to be allocated to the shareholders of the Target Company, other than the Company and SMBC, to be fractions less than one share so that the Company and SMBC will, in the aggregate, be able to own all issued and outstanding shares of the Target Company (excluding treasury shares).

For the purpose of protecting the rights of minority shareholders in the procedures stated in (a) through (c) above, the Companies Act provides that (i) upon the amendment of the Articles of Incorporation to make all shares of common stock issued by the Target Company redeemable as stated in (b) above, a dissenting shareholder may demand that the Company purchase his or her shares in accordance with the provisions of Articles 116 and 117 of the Companies Act and related laws and regulations and (ii) if the acquisition of all shares that are subject to the redemption provision stated in (c) above is resolved at the above extraordinary general meeting of shareholders, a dissenting shareholder may file a claim to determine the redemption price of such shares in accordance with Article 172 of the Companies Act and other related laws and regulations. As the decision on the purchase price and the redemption price per share under (i) and (ii) above will be ultimately rendered by the court, the price shareholders will obtain through (i) or (ii) above may be different from the Tender Offer Price. In making a demand or petition under these measures, it is the responsibility of each shareholder to confirm the required procedures and to make the

relevant determination of whether to proceed. The Company may implement other measures which have an effect equivalent to that obtained through the procedures stated in (a) through (c) above depending on factors including interpretations of the relevant laws and regulations by the relevant governmental authorities, the status of ownership of Share Certificates by the Company and SMBC after the completion of the Tender Offer and the status of the ownership of Share Certificates of the Target Company by the shareholders of the Target Company other than the Company and SMBC. However, even then the Company will adopt a measure under which the Company will eventually deliver cash to the shareholders of the Target Company, other than the Company and SMBC, so that the Company and SMBC will, in the aggregate, be able to own all shares issued by the Target Company (excluding treasury shares). In this case, the amount of cash to be delivered to such shareholders of the Target Company will be calculated based on the Tender Offer Price, and such amount may be different from the Tender Offer Price.

If the Company is unable to acquire all Stock Acquisition Rights of the Target Company despite of the completion of the Tender Offer, the Company will request the Target Company to take the necessary procedures to terminate the Stock Acquisition Rights, and the Target Company may conduct such procedures upon such request.

The Tender Offer is not intended to solicit shareholders' approval in the general meeting of shareholders and the general meeting of the shareholders as a class mentioned above. The shareholders are requested to consult their tax advisors at their own responsibility with respect to the tax consequences of each of the above procedures.

4. Others

(1) Consent between the Bidder and the Target Company or its Executives and the Contents of the Agreement

The boards of directors of the Target Company has approved the Tender Offer, and stated to recommend the shareholder to tender their shares to the Tender Offer, at the board meeting held on April 28, 2009.

(2) Other Information

The common stock of the Target Company is currently listed on the JASDAQ Stock Exchange. However, since the Company has not set a maximum number of Share Certificates to be purchased through the Tender Offer, such common stock may, depending on the result of Tender Offer, be delisted upon the completion of the Tender Offer after the

prescribed procedures are taken in accordance with the Criteria for Delisting in JASDAQ Stock Exchange. In addition, even if the Criteria for Delisting are not applicable as a result of the Tender Offer, it is anticipated that all issued shares of the Target Company (excluding treasury shares) will be owned by the Company and SMBC as a result of the procedures stated in (5) Planned Organizational Restructuring after Tender Offer (Matters Concerning the Squeeze-Out Process) to be conducted after the completion of the Tender Offer. In this case, the Criteria for Delisting will be applicable and the common stock of the Target Company will be delisted. If the common stock of the Target Company is delisted, shares of the common stock of the Target Company may no longer be traded on the JASDAQ Stock Exchange.

- This press release has been prepared only for the purpose of informing the public of the Tender Offer and not been prepared for soliciting tenders or purchases. When conducting any sales, shareholders should make appropriate judgments after reviewing the tender offer explanatory statement for the Tender Offer prepared by the Company.
- This press release includes business forecasts subject to the completion of the Tender Offer based on the Company's views. However, the business results may differ from the forecasts based on various factors.
- Neither this press release nor any part hereof constitutes document to subscribe for, solicit the sales of, or solicit applications for the purchase of, securities. Neither this press release (nor any part hereof) nor its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, nor may it be relied on at the time of concluding any agreement.
- Certain countries, regions and other jurisdictions may impose certain restrictions on the release, issue or distribution of press releases of this nature under their laws and regulations. In such cases, you are required to comply with such laws and regulations in such countries, regions and other jurisdictions in light of such restrictions. In jurisdictions where the implementation of the Tender Offer is illegal, even if you receive this press release, such receipt shall not constitute any solicitation for the application for the purchase or sale of Share Certificates in relation to this Tender Offer, and this press release shall be deemed as the distribution of information for reference only.
- Please be advised that pursuant to Article 167, Paragraph 3 of the Financial Instruments and Exchange Act and Article 30 of the Financial Instruments and

Exchange Act Enforcement Order, any person who has accessed the information concerning the Tender Offer contained in this press release may be restricted from purchasing or otherwise trading the Share Certificates of the Target Company, as a first-hand recipient of information under the regulations on insider trading, for 12 hours from the publication of this press release (i.e., from the time this press release was published on the Tokyo Stock Exchange's Timely Disclosure Information Access Service on April 28, 2009. Also, please note that the Company shall not be held responsible for any criminal, civil or administrative changes brought against any person for his/her purchase or other trade.