

Description of the Daiwa Securities Group's Business

The Role of the Securities Business

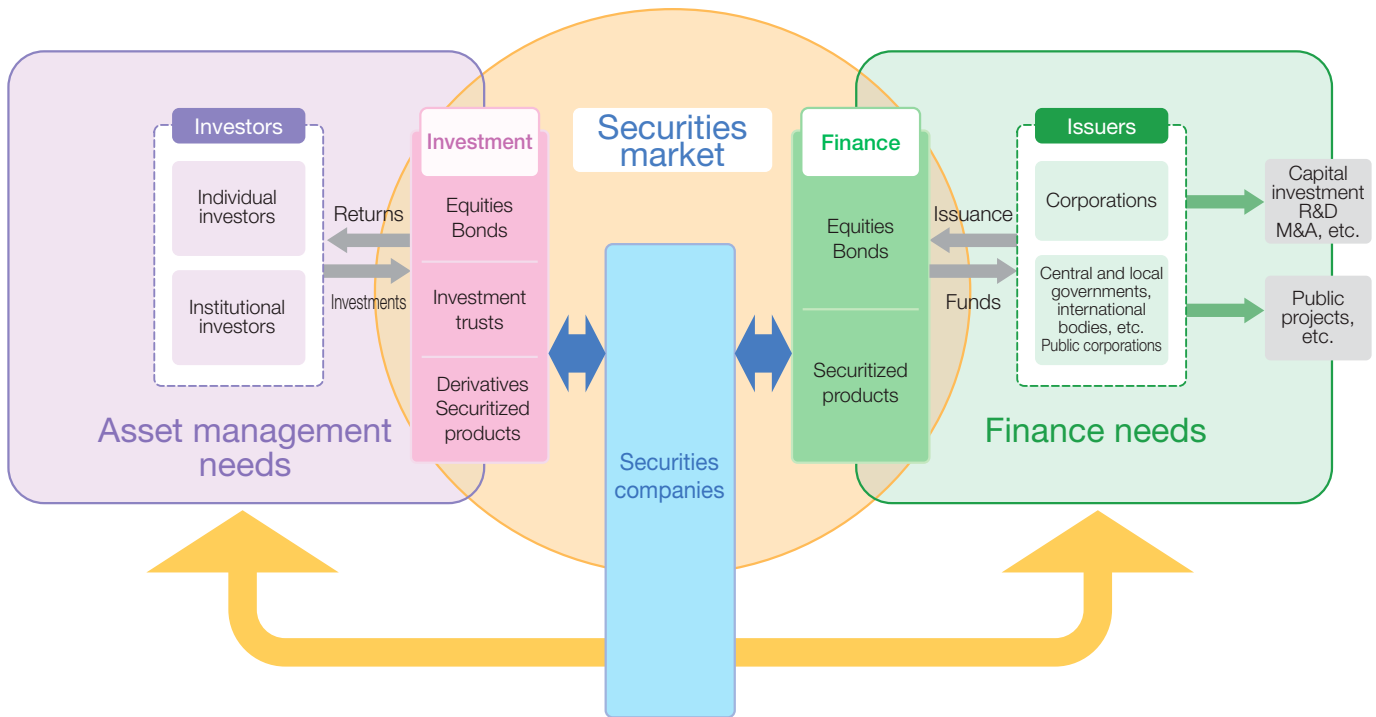
The securities business, which forms the core of the Daiwa Securities Group, plays a social role in bringing together parties seeking to finance corporate capital investment or public projects and investors wishing to invest efficiently.

With regard to corporate and public finance, securities companies help to raise funds for corporate capital investment or R&D or for public projects by governments, international organizations or public bodies by providing advisory services, or by assisting them to issue stocks, bonds or financial instruments.

In the area of asset management, securities companies provide appropriate investment information or advice in ac-

cordance with customers' investment goals and offer a full range of financial products and services to meet the needs of individual or institutional investors, pension funds and others with investment requirements.

In this way, the securities business, connecting capital demand and supply mainly through the finance and capital markets, creates a smooth flow of capital. By stimulating the flow of capital, our business contributes to the growth of industry and helps address issues confronting society.



Description of the Daiwa Securities Group's Business

The Daiwa Securities Group is composed of Daiwa Securities Group Inc., the holding company controlling the group companies, and two securities companies, Daiwa Securities Co. Ltd. and Daiwa Securities SMBC Co. Ltd., along with various companies providing securities-related services to offer a comprehensive range of investment and financial services.

Group Core Operations

1. Retail Securities Business

Through its domestic network of 117 branches, a call center and the Internet, Daiwa Securities Co. Ltd. offers two retail services, Daiwa Consulting and Daiwa Direct, which provide a wide range of financial products and services and support customer asset management, mainly for individuals and unlisted companies.

2. Wholesale Securities Business

Daiwa Securities SMBC Co. Ltd. provides fund management and investment banking services to institutional investors, corporate clients and financial institutions in and outside of Japan.

Asset management services: brokerage and trading of equities, bonds, derivatives and other financial products mainly for institutional investors.

Investment banking services: support for corporate oper-

ations ranging from business expansion to finance and capital strategies by assisting corporate clients and financial institutions to raise capital, issue bonds and manage assets.

3. Asset Management Business

The Group provides development and management of stock, bond and private investment trusts, as well as other investment management services.

4. Investment Business

Using its own funds, the Daiwa Securities Group invests in private equity, monetary receivables, real estate, venture capital opportunities, and business regeneration. It also forms and manages investment funds.

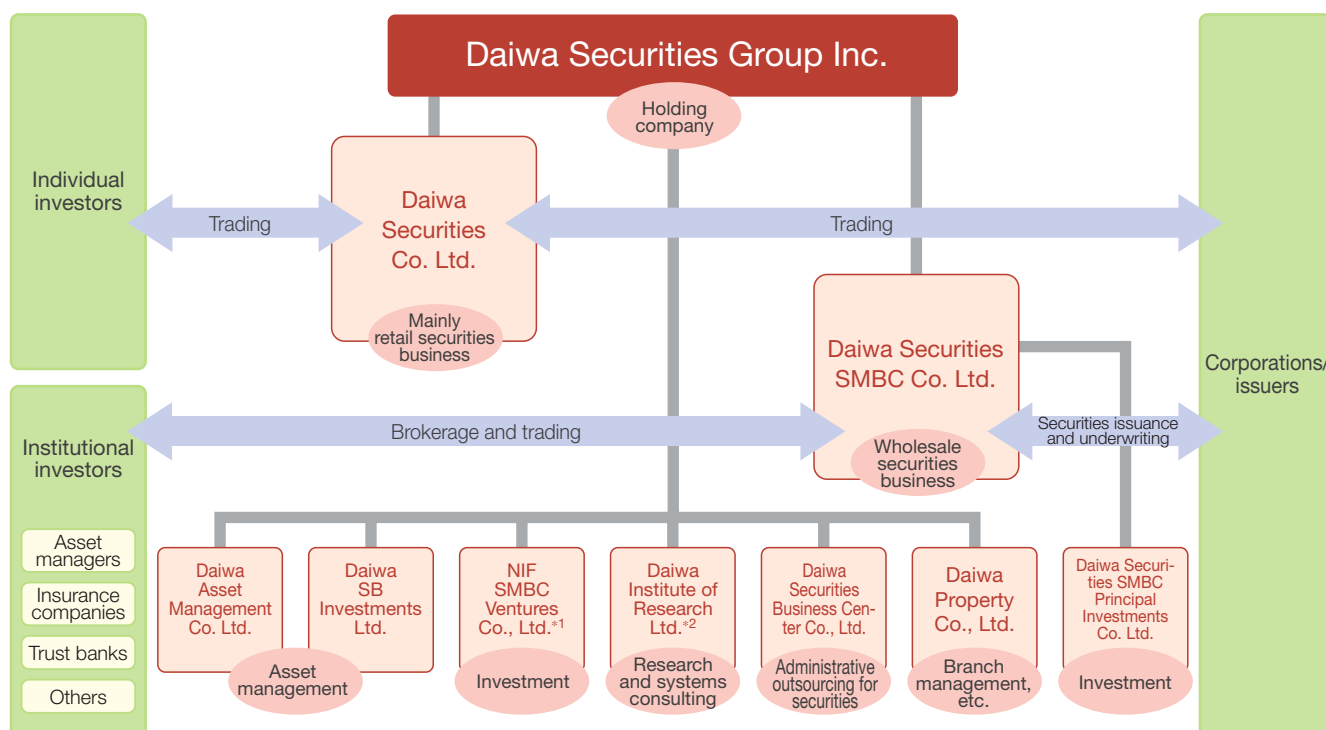
Group Support Operations

5. Research and Systems Business

The Group engages in various forms of consulting and research reporting in fields such as management, finance, and information technology, for institutional investors, corporate clients, financial institutions, and public organizations in and outside Japan.

6. Support Services

Services are supplied in areas such as administrative outsourcing relating to securities, as well as consulting for branch management, real estate and building management.



*1 Effective October 1, 2008, NIF SMBC Ventures Co., Ltd. will change its name to Daiwa SMBC Capital Co., Ltd.

*2 Effective October 1, 2008, Daiwa Institute of Research Ltd. will divide into two companies, Daiwa Institute of Research Ltd. and Daiwa Institute of Research Business Innovation Ltd.