

## 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 other companies providing securities-related services in order to offer a comprehensive range of investment and financial services.

### The Four Core Operations of the Group

#### 1. Retail Securities Business

Through its domestic network of 117 branches (as of April 2009), 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 as well as support for customer asset management, mainly for individuals and unlisted companies.

(Principal company: Daiwa Securities Co. Ltd.)

#### 2. Wholesale Securities Business

Daiwa Securities SMBC Co. Ltd. provides sales and brokerage services, as well as investment banking services, to institutional investors, corporate clients and financial institutions in and outside of Japan.

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

Investment banking services: support for corporate operations ranging from business expansion to finance and capital strategies by assisting corporate clients and financial institutions to raise capital, issue bonds and manage assets

(Principal company: Daiwa Securities SMBC Co. Ltd.)

#### 3. Asset Management Business

The Group creates and manages stock, bond and private investment trusts, as well as other investment management services.

(Principal companies: Daiwa Asset Management Co. Ltd. and Daiwa SB Investments Ltd.)

#### 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.

(Principal companies: Daiwa Securities SMBC Principal Investments Co. Ltd. and Daiwa SMBC Capital Co., Ltd.)

### Group Support Operations

#### 5. Research and Systems Business

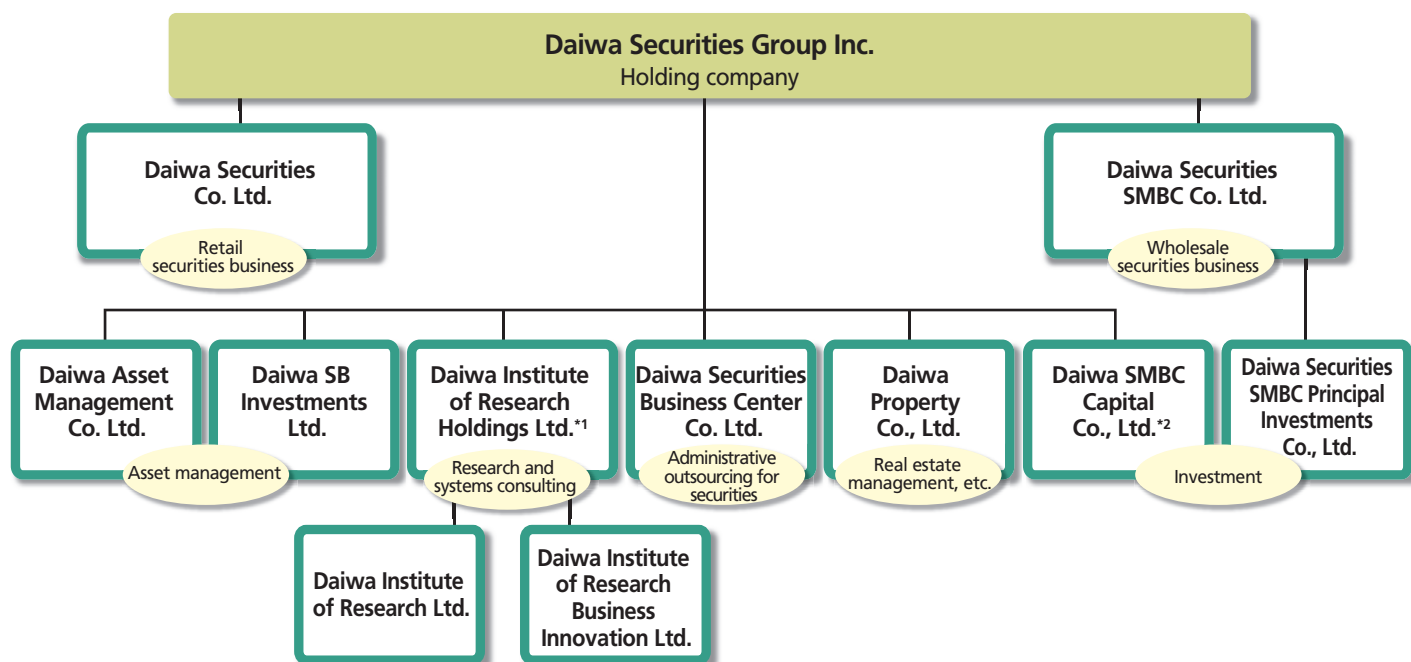
The Group provides information via research reports and other documents, management consulting, information technology and other services for institutional investors, corporate clients, financial institutions and public organizations in Japan and overseas.

(Principal company: Daiwa Institute of Research Ltd.)

#### 6. Support Services

Services are provided in such areas as securities-related administrative outsourcing and real estate consulting.

(Principal companies: Daiwa Securities Business Center Co. Ltd. and Daiwa Property Co., Ltd.)



\*1: On October 1, 2008, Daiwa Institute of Research Ltd. changed its name to Daiwa Institute of Research Holdings Ltd., marking the transition to being an intermediate holding company. At the same time, the Group implemented a company spin-off to establish the new Daiwa Institute of Research Ltd. and Daiwa Institute of Research Business Innovation Ltd.

\*2: NIF SMBC Ventures Co., Ltd. changed its name to Daiwa SMBC Capital Co., Ltd. on October 1, 2008.