

Organizational Structure of the Daiwa Securities Group

Retail

Daiwa Securities Co. Ltd.

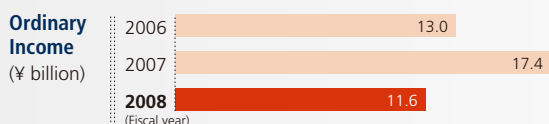
This retail securities company is a wholly owned subsidiary of Daiwa Securities Group Inc. The company provides a complete assortment of financial products and services, including both face-to-face consulting and services provided over the Internet, mainly to individual investors and unlisted companies.



Asset Management

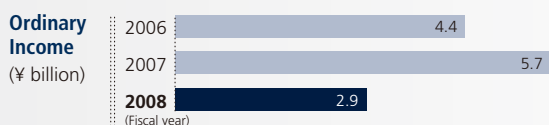
Daiwa Asset Management Co. Ltd.

An asset management company which forms the core of the Group's asset management operations. The company establishes and manages a multitude of investment trusts with various investment targets or investment themes, and markets them through the branch office network of Daiwa Securities, as well as many other sales channels.



Daiwa SB Investments Ltd.

This company handles asset management operations for the Daiwa Securities Group and the Sumitomo Mitsui Financial Group, providing pension fund management and other services for institutional investors in Japan and overseas. The company also develops and manages investment trusts.



Wholesale & Investment

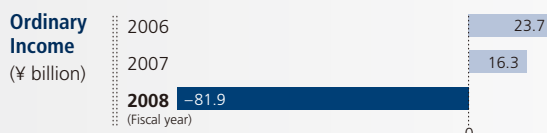
Daiwa Securities SMBC Co. Ltd.

This wholesale securities company was formed as a joint venture between Daiwa Securities Group Inc. and the Sumitomo Mitsui Financial Group. As a leader in Japan's financial markets, the company utilizes financial and capital markets to help corporations and institutional investors in Japan and overseas to identify the best solution to their financing or investment needs.



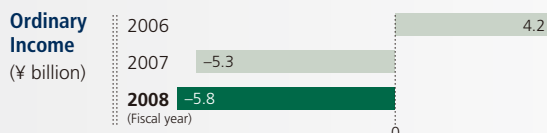
Daiwa Securities SMBC Principal Investments Co. Ltd.

A wholly owned subsidiary of Daiwa Securities SMBC, this company is responsible for the Group's investment activities, employing the Group's own capital in private equity, real estate and other investments. The company also develops and operates investment funds.



Daiwa SMBC Capital Co., Ltd.

This company is a private equity investment company created through a merger between the Daiwa Securities Group's NIF Ventures and the Sumitomo Mitsui Financial Group's SMBC Capital. The company focuses largely on venture capital investments.



Research, Consulting and Systems

Daiwa Institute of Research Holdings Ltd.

Daiwa Institute of Research Ltd.

This company serves as the "think tank" for the Daiwa Securities Group, taking the lead in the Group's research, consulting, and systems support operations. The company studies and provides basic information, and offers recommendations to support the Group's business expansion, and provides systems support services which are both reliable and cost-efficient.

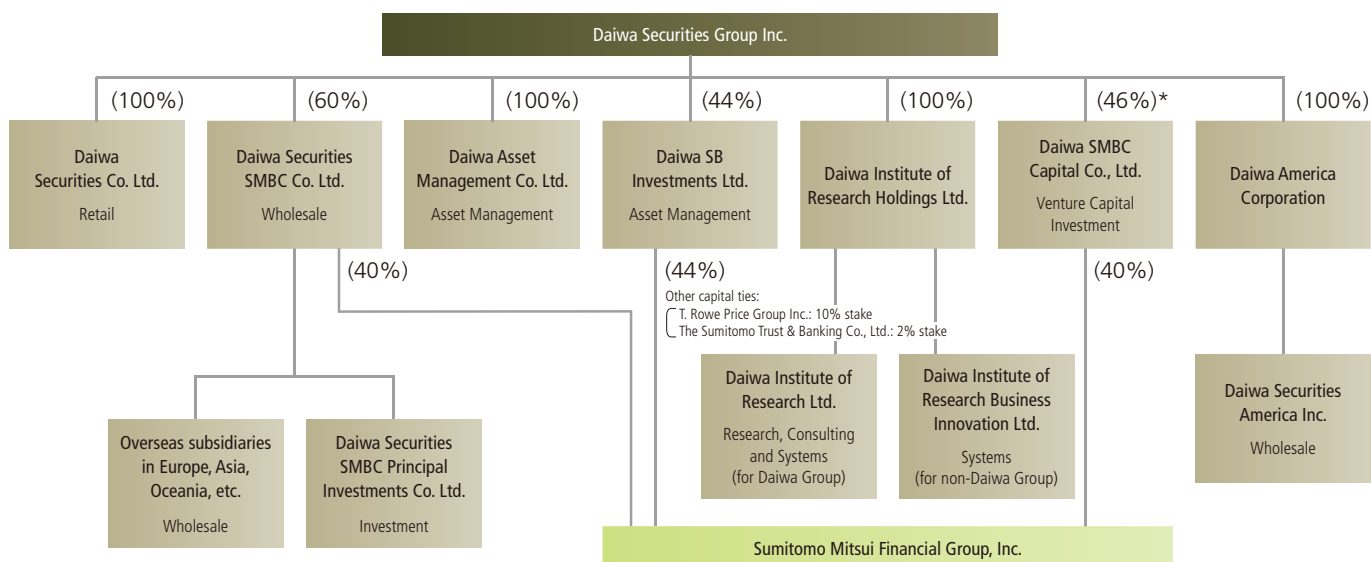
Daiwa Institute of Research Business Innovation Ltd.

This company provides systems support service to companies outside the Daiwa Securities Group. The company serves clients as a strategic partner in IT development and support, providing industry-leading solutions that help customers enhance their corporate value.

Capital Structure of the Daiwa Securities Group

(as of March 31, 2009)

Daiwa Securities Group Inc. operates subsidiaries in three core business segments—retail securities, wholesale securities & investment, and asset management—providing a diversity of services that help customers both in Japan and overseas to address their investment and capital procurement needs. The Group has both capital and cooperative relations with the Sumitomo Mitsui Financial Group in a number of business sectors.



* Between April 30, 2009 and June 18, 2009, Daiwa Securities Group Inc. made a takeover bid for this subsidiary's shares. Following this purchase, the Group controlled 56.7% of the subsidiary's outstanding shares, including residual shares.

Earnings Structure of the Daiwa Securities Group

—Breakdown of net operating revenues for FY 2008

