

(Translation)

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## SHARE HANDLING REGULATIONS

OF

Daiwa Securities Group Inc.

### CHAPTER I

#### GENERAL PROVISIONS

(Purpose)

Article 1. The handling procedure for matters relating to the shares of the Company shall be governed by the provisions set forth by Japan Securities Depository Center, Inc. (hereinafter referred to as “JASDEC”) and the account management institutions including securities companies, etc. (hereinafter referred to as “Securities Company, etc.”), with which shareholders have their transfer accounts, and by this Share Handling Regulations referred to in Article 9 of the Articles of Incorporation.

(Administrator of Shareholder Registry)

Article 2. The administrator of shareholder registry of the Company and its handling office shall be as follows:

- (1) Administrator of shareholder registry  
Sumitomo Mitsui Trust Bank, Limited  
1-4-1, Marunouchi, Chiyoda-ku, Tokyo

- (2) Handling office of administrator of shareholder registry  
Securities Agency Department,  
Sumitomo Mitsui Trust Bank, Limited  
1-4-1, Marunouchi, Chiyoda-ku, Tokyo

## CHAPTER II

### RECORDS IN THE SHAREHOLDER REGISTRY, ETC.

(Records in the Shareholder Registry, etc.)

- Article 3. Any change of records in the shareholder registry shall be made by notices from JASDEC (excluding the notice as stipulated in Article 154, Paragraph 3 of the Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, etc. (hereinafter referred to as the “Transfer Law”) (hereinafter referred to as the “Individual Shareholders Notification”).
2. In addition to the provisions of the preceding paragraph, in case of issuance of new shares and other cases as required by the relevant laws and regulations, changes in the shareholder registry shall be made without notices from JASDEC.
  3. Records in the shareholder registry shall be made using the characters and symbols designated by JASDEC.

(Notification relating to the Shareholder Registry)

- Article 4. A shareholder shall give notice of its name or trade name, and address to the Company through Securities Company, etc. and JASDEC in accordance with the procedures provided by JASDEC. The same procedure shall apply to any change thereof.

(Representatives of Corporate Shareholders)

- Article 5. Shareholder who is a corporation shall appoint one (1)

representative of such corporation and give notice to the Company through Securities Company, etc. and JASDEC in accordance with the procedures as provided by JASDEC. The same procedure shall apply to any change thereof.

(Representatives of Co-Owners of Shares)

Article 6. Shareholders who jointly own shares shall appoint one (1) representative, and give notice of its name or trade name, and address to the Company through Securities Company, etc. and JASDEC in accordance with the procedures as provided by JASDEC. The same procedure shall apply to any change thereof.

(Statutory Agents)

Article 7. A statutory agent of a shareholder, such as a person having parental authority or a guardian, shall give notice of its name or trade name, and address to the Company through Securities Company, etc. and JASDEC in accordance with the procedures as provided by JASDEC. The same procedure shall apply to any change or removal thereof.

(Notification of Address by Shareholders Resident Abroad, etc.)

Article 8. A shareholder and a registered pledgee of shares residing in a foreign country or its statutory agent shall appoint its standing proxy in Japan, or designate a mailing address in Japan to which notices shall be sent, and give notice of its name or trade name, and address of the standing proxy or the mailing address to which notice shall be sent to the Company through Securities Company, etc. and JASDEC in accordance with the procedures as provided by JASDEC. The same procedure shall apply to any change or removal thereof.

(Methods of Confirmation of Notification Made through JASDEC)

Article 9. A notification by a shareholder, which is submitted to the Company through Securities Company, etc. and JASDEC, shall be deemed as a notification from the shareholder.

### CHAPTER III

#### IDENTIFICATION OF SHAREHOLDERS

(Identification of Shareholders)

Article 10. In case a shareholder (including a shareholder who provided the Individual Shareholders Notification) claims or exercises some other shareholder rights (hereinafter collectively referred to as the “Claims, etc.”), such shareholder shall attach or provide an evidence to support that the shareholder is the very person who made such Claims, etc. (hereinafter referred to as the “Evidencing Materials, etc.”), unless otherwise verified by the Company that the Claims, etc. were made by the said shareholder.

2. In case the Claims, etc. are made by any shareholder to the Company through the Securities Company, etc. and JASDEC, such Claims, etc. shall be deemed to have been made by such shareholder, and submission of the Evidencing Materials, etc. is not required.
3. In case the Claims, etc. are made by a proxy, a power of attorney, on which a shareholder signed or affixed its name and seal, shall be attached to the Claims, etc., in addition to the procedures provided for in the preceding two paragraphs. The name or trade name and address of the proxy shall be indicated in the power of attorney.

4. The provisions of the preceding paragraphs 1 and 2 shall apply mutatis mutandis to the proxy.

## CHAPTER IV

### PROCEDURES FOR EXERCISING SHAREHOLDER'S RIGHTS

(Minority Shareholders' Rights, etc.)

Article 11. In case a shareholder exercises its rights etc., defined in Article 147, Paragraph 4 of the Transfer Law, except as otherwise set forth in Article 13 to Article 22, directly towards the Company, that shareholder shall make such exercise by submitting a document written in a form designated by the Company. In this case the Company may request the shareholder to submit certificate of acceptance issued by the Securities Company, etc. which accepted offer of the Individual Shareholders Notification and identity verification documents.

(Description of Shareholder Proposals in Reference Documents for Shareholders Meeting)

Article 12. In the event a shareholder submits a proposal at the shareholders meeting, the length of the proposal determined by the Company in accordance with Article 93, Paragraph 1 of the Ordinance for Enforcement of the Companies Act shall be as follows:

(1) Reasons for proposal:

Four hundred (400) characters in length for each proposal;

(2) Matters to be included in reference documents for shareholder meeting concerning the proposal for election of officers:

Four hundred (400) characters in length for each candidate.

(Method of Demand for Purchase of Shares Less than One (1) Unit)

Article 13. In case that holders of shares less than one (1) unit demand the Company to purchase their shares less than one (1) unit, such demand shall be made to the Company through Securities Company, etc. in accordance with the procedures as provided by JASDEC.

(Determination of Purchase Price)

Article 14. The purchase price per share for a purchase demand in accordance with the preceding Article 13 shall be the closing price per share at the Tokyo Stock Exchange, Inc. (“TSE”) on the day on which the purchase demand is received at the handling office of administrator of shareholder registry; provided, however, that if no sales of the share take place on the said day, or the said day falls on a holiday of the TSE, the purchase price per share shall be the price per share settled at the first sale thereafter.

2. The purchase price shall be the amount obtained by multiplying the purchase price per share referred to in the preceding paragraph by the number of shares demanded for purchase.

(Payment of Purchase Price)

Article 15. The Company shall pay the amount of the purchase price calculated pursuant to the preceding Article 14 after deduction of the handling fees set forth in Article 24, unless otherwise provided by the Company, the purchase price on the fourth (4th) business day from the following day on which the purchase price per share is determined in accordance with the procedure as provided by JASDEC; provided, however, that if the purchase price contains the right to receive dividends from surplus or stock split, etc., the Company shall pay the purchase price no later than the record date thereof.

2. A person who has demanded for purchase may request that the payment should be made by way of transfer to the bank deposit account designated by such person or in cash through Japan Post Bank Co., Ltd.

(Transfer of Purchased Shares)

Article 16. The shares less than one (1) unit demanded for purchase shall be transferred to the transfer account of the Company on the date on which the payment or the payment procedures provided for in the preceding Article 15 have been completed.

(Method of Demand for Sale to Holders of Shares Less than One (1) Unit)

Article 17. In case that holders of shares less than one (1) unit demand the Company to sell their shares in such number that will constitute one (1) unit when added to such shares less than one (1) unit (hereinafter referred to as the “Demand for Sale”), such demand shall be made to the Company through Securities Company, etc. in accordance with the procedures as provided by JASDEC.

(Demand for Sale in Excess of Available Treasury Shares)

Article 18. If the aggregate number of shares for which the Demands for Sale were made on a same day exceeds the number of treasury shares available for transfer by the Company and the order in which such Demands for Sale were received is unknown, none of the Demands for Sale made on the said day shall come into effect.

(Effective Date of Demand for Sale)

Article 19. A Demand for Sale shall come into effect on the day when the said Demand for Sale is received at the handling office of the administrator of shareholder registry.

(Determination of Sale Price)

Article 20. The sale price per share of shares less than one (1) unit shall be the closing price on the TSE on the effective date of the Demand for Sale; provided, however, that if no sales of shares take place on the said day, or the said day falls on a holiday of the TSE, the purchase price per share shall be the price per share settled at the first sale thereafter.

2. The sale price shall be the amount obtained by multiplying the sale price per share referred to in the preceding paragraph by the number of shares demanded for the sale.

(Transfer of Sold Shares)

Article 21. Application for transfer of treasury shares to the shareholder's transfer account in a number equal to the number of shares subject to a Demand for Sale shall be made on the day on which it has been confirmed that the sum calculated by adding the handling fees set forth in Article 24 to the sale price has been remitted to the bank deposit account designated by the Company through Securities Company, etc..

(Suspension Period for Acceptance of Demand for Sale)

Article 22. The Company shall suspend the acceptance of Demand for Sale every year from the period starting from the tenth (10th) business day prior to and ending on the respective dates listed below:

- (1) March 31;
  - (2) September 30; and
  - (3) Any other dates as provided by JASDEC, such as the record date of shareholders, etc.
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2. Notwithstanding the preceding paragraph, the Company may, whenever it deems necessary, set additional periods for suspension of



the acceptance of Demand for Sale.

## CHAPTER V

### SPECIAL TREATMENT OF SPECIAL ACCOUNT

(Special Treatment of Special Account)

Article 23. Identification of a shareholder who opened a special account and any other handling matters related to the special account shall be treated in accordance with the procedures as provided by JASDEC as well as by the account management institution of the said special account.

## CHAPTER VI

### HANDLING FEES

(Handling Fees)

Article 24. Handling fees with respect to a purchase of shares less than one (1) unit pursuant to Article 13 and a Demand for Sale of shares less than one (1) unit pursuant to Article 17 shall be as indicated in the Appendix.

## CHAPTER VII

### DEMAND FOR GENERAL SHAREHOLDERS' NOTIFICATION, ETC.

(Demand for General Shareholders' Notification)

Article 25. In the following cases, the Company may consider that there is a reasonable ground defined in Article 151 of Transfer Act, and demand

JASDEC to provide a general shareholders' notification to the Company:

- (1) Where the Company makes such a demand in order to send notices to the shareholders, etc. in accordance with the laws and regulations, the Securities Listing Regulations, the Articles of Incorporation or any other rules (hereinafter, the "Laws and Regulations, etc.");
- (2) Where the Company makes such a demand in order to disclose or provide information related to the shareholders, etc. to public agencies or stock exchanges in accordance with the Laws and Regulations, etc.;
- (3) Where the Company intends to take action against shareholders for the common benefit of shareholders implementing the transfer of shares or shareholder special benefits plan etc.;
- (4) Where doing so is required in order to avoid any event that is likely to cause damage to the Company or shareholders including the Company's delisting or revocation of the license etc.; or
- (5) Other cases where the demand to provide a general shareholders' notification is deemed to be appropriate by the Company.

(Demand to Provide Information)

Article 26. In the following cases, the Company may consider that there is a reasonable ground defined in Article 277 of Transfer Act, and demand the Securities Company, etc. or JASDEC to provide information with respect to the transfer account book, etc. to the Company:

- (1) Where the consent of shareholders has been obtained;
- (2) Where doing so is required in order to confirm whether or not a person who claims to be a shareholder is a shareholder;
- (3) Where doing so is required in order to confirm that a shareholder has satisfied the requirements to exercise its shareholder's rights;

- (4) Where information related to shareholders, etc. should be disclosed or be provided information to public agencies or stock exchanges in accordance with the Laws and Regulations, etc.;
- (5) Where doing so is required in order to avoid any event that is likely to cause damage to the Company or shareholders including the Company's delisting or revocation of the license; or
- (6) Other cases where the demand to provide information is deemed to be appropriate by the Company.

## Appendix

An amount set forth in Article 24 is the amount obtained in accordance with the following formula as equivalent to the brokerage commission per share, prorated according to the number of shares less than one (1) unit so purchased or additionally purchased.

(Formula)

The handling fee shall be measured by firstly determining the purchase price per share under Article 14 or the sale price per share under Article 20 which shall be multiplied by one (1) unit share (the “assumed total amount”) and then calculated by using the following ratios to the assumed total amount:

The first 1,000,000 yen .....	1.150%
More than 1,000,000 yen to 5,000,000 yen (inclusive) .....	0.900%
More than 5,000,000 yen to 10,000,000 yen (inclusive) .....	0.700%
More than 10,000,000 yen to 30,000,000 yen (inclusive) .....	0.575%
More than 30,000,000 yen to 50,000,000 yen (inclusive) .....	0.375%

(If there is any fraction of 1 yen, it shall be disregarded.)

Provided, however, that if the amount so obtained per one (1) unit share falls under 2,500 yen, it shall be 2,500 yen.