

December 22, 2009

Daiwa Securities Group Inc.  
Daiwa Securities SMBC Co. Ltd.

Attention

This document is an unofficial translation of a press release announced on December 22, 2009 by Daiwa Securities Group Inc. The original press release is in Japanese.

**Announcement regarding obtaining approval for reaching agreement in principle to transfer shares of Daiwa America Corporation**

Daiwa Securities Group Inc. (“DSGI”) and Daiwa Securities SMBC Co. Ltd. (“Daiwa Securities SMBC”) hereby announce that an agreement in principle regarding transfer of the shares of Daiwa America Corporation (“DAC”) has been approved by each company.

**1. Details of the Agreement:**

DSGI and Daiwa Securities SMBC agree in principle to the transfer of all shares of DAC from DSGI to Daiwa Securities SMBC with the target transfer date being April 1, 2010. These two firms also agree to enter into intensive discussions to successfully consummate the transfer.

**2. Purpose of the Transfer:**

Integrating DAC and its subsidiaries into the international business franchises of Daiwa Securities SMBC as has been done in Europe and Asia will further strengthen the global network of Daiwa Securities Group and enable the Group to allocate resources more strategically and efficiently.

**3. Summary of DAC (as of the end of March 2009):**

Name of the Company	Daiwa America Corporation
Business	U.S. holding company with subsidiaries including the U.S. SEC registered broker-dealer
Shareholder (investment ratio)	Daiwa Securities Group Inc. (100%)
Capital	USD 539,000,000
Net Assets	USD 390,848,319
Total Assets	USD 22,975,319,925

**4. Expected Transfer Date:**

April 1, 2010

Note 1: Daiwa Securities SMBC Co. Ltd. will be renamed Daiwa Securities Capital Markets Co. Ltd. from January 1, 2010.

Note 2: The transfer of DAC shares will be made only after DSGI acquires the 40% stake in Daiwa Securities SMBC currently owned by Sumitomo Mitsui Financial Group.

Note 3: The transfer of DAC shares is subject to any required approvals from relevant regulatory organizations and any required registrations or filings with relevant regulatory organizations.