

September 10, 2009

**Daiwa Securities Group Inc. to Fully Acquire Daiwa Securities SMBC Shares from
Sumitomo Mitsui Financial Group, Inc.**

Please note that this document is an unofficial translation of a press release announced on September 10th, 2009, by Daiwa Securities Group Inc. and was prepared solely for reference purpose only. The original press release is in Japanese.

Daiwa Securities Group Inc. (Daiwa) and Sumitomo Mitsui Financial Group, Inc. (SMFG) have announced today to end the joint venture contract in Daiwa Securities SMBC Co. Ltd. (Daiwa SMBC), first dated on December 18th, 1998. Daiwa currently holds 60% of Daiwa SMBC shares and will acquire the remaining 40% from SMFG on December 31st, 2009. Both parties agreed to constructively dissolve the joint venture contract, while remaining as primary business partners. Employees seconded to Daiwa SMBC from SMFG will return to the bank, subject to their preference, by October 1st, 2009.

Since Daiwa SMBC's establishment, the combined investment banking units from Daiwa and SMFG has leveraged business platforms of their parent groups and successfully became one of the top tier investment banks in Japan. Daiwa SMBC has also made a significant contribution to the development of the financial and capital markets.

Daiwa and SMFG had been seeking the best solution since SMFG has announced acquirement of Nikko Cordial Securities Inc. and a part of Nikko Citigroup Limited (collectively, Nikko Cordial) on May 1st, 2009. The dissolution of the joint venture contract came as for both Daiwa and SMFG recognizing more increasing business synergy in separate business entities, rather than to merge the investment banking division of Nikko Cordial to Daiwa SMBC.

Daiwa will acquire 40% or 1,520 Daiwa SMBC shares held by SMFG on December 31st, 2009, and Daiwa SMBC will become a 100% subsidiary of Daiwa. Acquisition value that Daiwa is to pay SMFG is calculated based on 40% equivalent of Daiwa SMBC's consolidated net asset value adjusting valuation and translation gain and loss as of December 31, 2009. Sumitomo Mitsui Banking Corporation will make a JPY100bn loan to Daiwa for this transaction. Daiwa and SMFG will continue to hold 60% and 40% of Daiwa SMBC's private equity business entity (Daiwa Securities SMBC Principal Investments Co. Ltd.) respectively.

<Outline of Daiwa Securities SMBC Co. Ltd.>

Daiwa SMBC is an investment bank joint venture by Daiwa Securities Group Inc. and Sumitomo Mitsui Financial Group, Inc. Daiwa SMBC started its business on April 5th, 1999. As of June 30th, 2009, Daiwa SMBC has JPY255,700 mil in capital, consolidated net assets of JPY670,246 mil and consolidated total assets of JPY11,991,428 mil.