

Daiwa Securities SMBC Principal Investments Co. Ltd.

August 28, 2008

Regarding the partial transfer of stock holding in Daiwa Seiko, Inc.

Attention

This document is an unofficial translation and summary of a press release announced on August 28, 2008 by Daiwa Securities SMBC Principal Investments Co. Ltd. The original press release is in Japanese.

Daiwa Securities SMBC Principal Investments (“Daiwa SMBC PI”), a wholly owned subsidiary of Daiwa Securities SMBC Co. Ltd., transferred a part of shares holding in Daiwa Seiko, Inc. (“Daiwa Seiko”).

1. Summary of the transfer

(1) The number of shares transferred: 21,300,000shares (15.99% of the total outstanding shares)

<Number of shares held and percentage of the total outstanding shares before and after the transfer>

	Number of shares held	Percentage of the total outstanding shares
Before	27,736,000 shares	20.83%
After	6,436,000 shares	4.83%

(2) The method of transfer

Daiwa SMBC PI applied for shares buy back offered through off-floor trading by Daiwa Seiko, and also transferred partial shares directly to multiple business partners of Daiwa Seiko.

2. Future relationship with Daiwa Seiko

This transaction will not change the relationship between Daiwa Seiko and Daiwa SMBC PI. Daiwa SMBC PI will continue providing vigorous supports for further development and growth of Daiwa Seiko.

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