

For Immediate Release

22 July 2010

Hong Kong

Daiwa Makes Progress in Asian Expansion

Daiwa Securities Group (Daiwa), one of the largest brokerage firms in Japan, is progressing well with its Asian expansion strategy and expecting to generate 160 billion yen in revenue from its Asia-related businesses for fiscal year 2011, said Mr. Shigeharu Suzuki, President and CEO, at a press conference in Hong Kong today. Mr. Suzuki is in Hong Kong to host the group's 40th anniversary celebration at the Grand Hyatt Hotel.

"We expect Asia-related revenue for fiscal year 2011 to account for approximately 30% of the group revenue, a significant increase from the current level of 10%," Mr. Suzuki added.

In November 2009, Daiwa announced its plan to invest 100 billion yen to expand in Asia and double its headcount in the region by 2011. Following the announcement, Daiwa Capital Markets, the investment banking arm of Daiwa Securities Group, has designated Hong Kong as its second headquarters and the strategic operational base for Takashi Hibino, deputy president. It has also relocated numerous senior executives including Mr. Yoshio Urata, Global Head of Equity Sales, and Sumio Otsuka, Co-Head of Global Investment Banking to Hong Kong.

Since October 2009, the firm has hired over 100 bankers bringing the total headcount in Asia to approximately 850. Among the latest senior appointments made are Ester Li from Axial Capital Management as Regional Head of Asian Equity Sales; Jimmy Kan from Deutsche Bank as Global Head of Derivatives Structuring; former Deutsche Bank's top sales traders Ricky Lo and May Tsang as Head and Deputy Head of Hong Kong/China Sales Trading; and Ravi Narain from Deutsche Bank as Head of Institutional Sales.

Hiroyuki Nomura, President and Chief Executive Officer of Daiwa Capital Markets Hong Kong said, "These hires bring a tremendous amount of experience to Daiwa Capital Markets and will provide further momentum to our growth strategy in the region. They are all seasoned professionals who will now play a critical role in driving our Asia business forward."

In addition to significantly increasing headcount in Asia, it is part of Daiwa's expansion strategy to invite influential figures in the region to join the firm as either joint chairman or senior advisor. Following the appointment of Mr. Ashok Jha, former Finance Secretary of India as Senior Advisor to Daiwa India, Daiwa has recently appointed Mr. Chang Lok Kim, former Governor of the Korea Development Bank as Senior Advisor.

In terms of boosting its secondary market services, Daiwa has recently announced that it is acquiring the global convertible bonds and Asian equity derivatives business lines of Belgium's KBC Group NV. The acquisition forms a core part of Daiwa's strategy to build a leading global derivatives business centred on Asia and will allow its clients access to market-leading platforms in the convertible bonds and Asian equity derivatives markets.

Mr Toshinao Matsushima, Global Head of Markets at Daiwa Capital Markets, said, "The acquisition will significantly boost our equity capabilities as we build a high quality Asian derivatives platform across rates, fixed income, FX, and equity markets."

In closing, Mr. Suzuki said, "2010 is a memorable year for Daiwa Securities Group because it not only commemorates our 40th year in Hong Kong but also the year that we will embark on our next phase of significant expansion into Asia, becoming the investment bank representing Asia within the next three years."

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Notes to Editors

Daiwa Capital Markets (www.daiwacm.com) is the wholly-owned investment banking arm of Daiwa Securities Group. The award winning firm has more than 4,000 employees worldwide and provides integrated financial services including brokerage, derivatives, capital raising, IPOs, M&As and other creative financial solutions to clients through a network of more than 20 offices in Asia, the Middle East, Europe, North America and Asia.

Daiwa Securities Group (www.daiwa-grp.jp/english/) is one of the largest brokerage and banking groups in Japan and employs more than 16,000 professionals worldwide providing comprehensive financial services, including retail brokerage, investment banking and asset management. Daiwa Securities Group has been in continuous operation in the financial services industry since 1902.