

February 5, 2008

Press Release

Daiwa Securities SMBC Principal Investments Co. Ltd.

Regarding establishment of “Home Construction Succession Fund”

Attention

This document is a summary translation of a press release announced on February 5, 2008 by Daiwa Securities SMBC Principal Investments Co. Ltd. The original press release is in Japanese.

Daiwa Securities SMBC Principal Investments Co. Ltd. has decided to establish Home Construction Succession Fund Limited Partnership in order to support of small and medium enterprises in the housing related sector with business succession problems including difficulty in finding successors.

Through the management of this fund, we will provide owners of small and medium enterprises with financial support for business succession by the share acquisition from them, and at the same time we will resolve the business succession issue and provide business support including new business development through cooperation with partners of the fund; Organization for Small & Medium Enterprises and Regional Innovation and Sumitomo Forestry Co., Ltd.

【Outline】

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|--------------------------------|---|
| 1. Total amount of the fund | Y5bil |
| 2. General partner | Daiwa Securities SMBC Principal Investments Co. Ltd. |
| 3. Limited partner | Organization for Small & Medium Enterprises and Regional Innovation
Sumitomo Forestry Co., Ltd.
Daiwa Securities SMBC Co. Ltd. |
| 4. Scheduled timing of closing | February, 2008 |
| 5. Investment target | Small and medium enterprises in the housing related sector, which have difficulty in finding successors and new business development, despite of their excellent technology and know-how. |

End