

March 5, 2012

Daiwa Securities Group Inc.

Daiwa PI Partners Co. Ltd.

Attention

This is an unofficial translation of an excerpt of the press release issued on March 5, 2012, by Daiwa Securities Group Inc. and Daiwa PI Partners Co. Ltd. The original press release is in Japanese.

**Notice regarding additional acquisition of the investment units of Daiwa Office Investment Corporation and expected consolidation as a consolidated subsidiary**

As announced on our press release, “Notice regarding additional acquisition of the investment units of Daiwa Office Investment Corporation by Daiwa PI Partners Co. Ltd. from K.K. Columbus as a result of the foreclosure of the security interest” dated February 21, 2012, Daiwa PI Partners Co. Ltd. (“Daiwa PIP”), a consolidated subsidiary of Daiwa Securities Group Inc. (“DSGI”), in order to preserve a loan (the “Loan”) provided under the loan agreement executed with K.K. Columbus (“Columbus”) dated as of May 13th, 2011 (the “Agreement”), acquired 52,500 investment units (13.26% of the total issued and outstanding investment units) issued by Daiwa Office Investment Corporation (“DOI”) from Columbus on February 21, 2012 by way of the foreclosure of the security interest on the investment units of DOI held by Columbus. Furthermore, we hereby announce that Daiwa PIP foreclosed such security interest against 15,000 investment units of DOI (3.79% of the total issued and outstanding investment units) on February 28, 2012, and will further foreclose the rest of DOI’s investment units held by Columbus, 1,405 investment units (0.35% of the total issued and outstanding investment units) on March 6, 2012. Accordingly, Daiwa PIP, together with the investment units acquired on February 28, 2012, will acquire 16,405 additional investment units in total (4.14% of the total issued and outstanding investment units) from Columbus (such additional acquisitions, the “Additional Acquisitions”).

In addition, we also announce that, in accordance with the “effective control standards” of the accounting standards, DOI is expected to be treated as a consolidated subsidiary of DSGI in its consolidated financial statements.

1. Reasons for the Additional Acquisitions

After Daiwa PIP's foreclosure of 52,500 investment units of DOI held by Columbus on February 21, 2012, the conditions for the foreclosure of the security interest provided for in the Agreement were fulfilled again. Therefore, in order to preserve the Loan, Daiwa PIP conducts the Additional Acquisitions by way of foreclosure of the security interest on February 28, 2012 and March 6, 2012.

2. Outline of the Security Interest Provider of the Units

(as of March 5, 2012)

1. Company Name	K.K. Columbus	
2. Address	10-1, Roppongi 6-chome, Minato-ku, Tokyo	
3. Title and Name of Representative	President, Brian Defoe	
4. Description of Business	<ul style="list-style-type: none"> <li>• Conclusion of <i>Tokumei-Kumiai</i> contracts and management of assets in which such <i>Tokumei-Kumiai</i> invest</li> <li>• Acquisition, possession, sale and purchase of investment securities</li> </ul>	
5. Amount of Capital	JPY 100 million	
6. Shareholders	K.K. daVinci Holdings: 100.0%	
7. Relationships with Daiwa Securities Group Inc.	Capital Relationship:	Not applicable
	Personal Relationship:	Not applicable
	Business Relationship:	Not applicable
	Status as a Related Party:	Columbus, its subsidiaries and its affiliates are not Related Parties of Daiwa Securities Group Inc.

3. Number of investment units acquired through the Additional Acquisitions and Investor Composition before and after the Additional Acquisitions

(1) Number of investment units acquired: 16,405 units

(2) Investor Composition before and after the Additional Acquisitions:

(Before the Additional Acquisitions)

	DSGI	Daiwa PIP	K.K. Columbus
1. Number of investment units held	51,893 units	112,500units	16,405 units
2. Investment-holding ratio against the total outstanding investment units	13.11 %	28.42 %	4.14 %
3. Rank among investment unit holders	3rd	1st	6th

※ As of February 21st

(After the Additional Acquisitions (Planned))

	DSGI	Daiwa PIP	K.K. Columbus
1. Number of investment units held	51,893 units	128,905units	0units
2. Investment-holding ratio against the total outstanding investment units	13.11 %	32.57 %	0 %
3. Rank among investment unit holders	3rd	1st	-

※ The total number of the investment units held by DSGI and Daiwa PIP will be 180,798 (45.68% of the total outstanding investment units).

4. Date of Acquisitions February 28, 2012 and March 6, 2012 (planned)

5. Outline of DOI to be consolidated

(as of March 5, 2012)

1. Company Name	Daiwa Office Investment Corporation
2. Address	2-1, Ginza 6-chome, Chuo-ku, Tokyo
3. Title and Name of Representative	Executive Director, Kazuo Otaka
4. Asset Management Company	Daiwa Real Estate Asset Management Co., Ltd. ("DREAM")
5. Description of Business	Investment in and management of specified assets
6. Amount of Capital	JPY 198,780 million

7. Date of Incorporation	July 11th, 2005		
8. Principal Unitholders and their investment-holding ratios (※)	Daiwa PI Partners Co. Ltd.	32.57%	
	Japan Trustee Services Bank, Ltd (Trust Account)	14.78%	
	Daiwa Securities Group Inc:	13.11%	
9. Relationships between DOI and DSGI, and DREAM and DSGI	Capital Relationship:	DSGI holds 51,893 investment units of DOI. Furthermore, DSGI holds whole shares of DREAM.	
	Personal Relationship:	There is no personal relationship between DSGI and DOI. On the other hand, some executives and employees of DSGI have been also appointed as directors of DREAM.	
	Business Relationship:	DSGI holds First Series Unsecured Subordinated Investment Corporation Bonds with Early Redemption Clause (limited to Qualified Institutional Investors), and receives interests on this subordinated bonds. Moreover, DSGI has entered into a sponsor support agreement with DREAM.	
	Status as a Related Party:	DOI has been an equity method affiliate of DSGI, and will become a consolidated subsidiary of DSGI from the fourth quarter of FY 2011. In addition, DSGI falls under the definition of "Interested Person, etc." under the Act on Investment Trusts and Investment Corporations.	
10. Financial history in the latest three consecutive accounting period	Fiscal Period ended on November 30, 2010	Fiscal Period ended on May 31, 2011	Fiscal Period ended on November 30, 2011
Operating Revenue	JPY 6,424 million	JPY 6,758 million	JPY 7,605 million

Operating Income	JPY 2,481 million	JPY 2,823 million	JPY 3,317 million
Ordinary Income	JPY 1,273 million	JPY 1,587 million	JPY 1,767 million
Net Income	JPY 1,282 million	JPY 1,453 million	JPY 1,766 million
Total Assets	JPY 294,562 million	JPY 298,626 million	JPY 323,217 million
Net Assets	JPY 200,063 million	JPY 200,234 million	JPY 200,548 million

※ The shareholding ratios of Daiwa PIP and DSGI are expected ratios after the Additional Acquisitions, and the shareholding ratio of Japan Trustee Services Bank, Ltd (Trust Account) is as of November 30th, 2011.

## 6. Prospects

Even though the aggregate number of investment units of DOI held by DSGI and Daiwa PIP will be limited to 180,798 (45.68% of the total outstanding investment units), DOI is expected to be treated as a consolidated subsidiary of DSGI in its consolidated financial statements in accordance with the “effective control standards” of the accounting standards. Upon the consolidation of DOI as a consolidated subsidiary of DSGI, pursuant to the “Accounting Standard for Consolidated Financial Statements”, DSGI will measure DOI’s assets and debts at fair value, and perform various accounting procedures, and from the fourth quarter of the fiscal year ending March 2012, the results of DOI is expected to be reflected as a consolidated subsidiary on the consolidated results of DSGI. We are now examining the impact thereof on the consolidated results of DSGI.

For your information, we believe that the Additional Acquisitions will not affect the conduit status of DOI for taxation purposes the requirements for which are stipulated under Article 67-15 of the Act on Special Measures Concerning Taxation (the “Act”), because the aggregate investment-holding in DOI held by DSGI and Daiwa PIP (and those who have special relationships defined in Paragraph 5, Article 39-32-3 of the Enforcement Order for the Act with either of DSGI or Daiwa PIP) does not exceed 50%.

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