

Report Regarding Situation of Soundness in Management
as of June 30, 2014

In accordance with the Financial Instruments and the Exchange Act Article 57-17, “Notification, etc. of Documents Describing Status of Soundness in Management”, Daiwa Securities Group Inc. reports situation of soundness in management as of June 30, 2014.

(Unit : 1 Million Yen)

	June 2014
1. Consolidated Total Capital Ratio	22.5 %
2. Consolidated Tier 1 Capital Ratio	21.6 %
3. Consolidated Common Equity Tier 1 Capital Ratio	21.4 %
4. Total Qualifying Capital	1,112,451
5. Tier 1 Capital	1,069,801
6. Common Equity Tier1	1,055,229
7. Total Capital Requirements	394,415

8. Composition of capital disclosure

(Unit: 1 Million Yen, %)

Items		Exclusion under transitional arrangements	Basel template number
Common Equity Tier 1 capital: instruments and reserves			
Shareholder's Equity	994,526		1a+2-1c-26
Common stock and capital surplus	478,169		1a
Retained earnings	533,652		2
Treasury stock ()	17,295		1c
Planned distributions ()	-		26
Others	-		
Stock subscription rights	7,528		1b
Accumulated other comprehensive income (and other reserves)	17,850	71,402	3
Minority interest after adjustments	-		5
Common Equity Tier 1 capital under transitional Basel rules	56,838		
Minority interest	56,838		
Common Equity Tier 1 capital before regulatory adjustments (a)	1,076,743		6
Common Equity Tier 1 capital: regulatory adjustments			
Intangible assets other than mortgage-servicing rights (net of related tax liability)	15,697	62,790	8+9
Goodwill (net of related tax liability)	1,803	7,212	8
Other intangibles other than mortgage-servicing rights (net of related tax liability)	13,894	55,577	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	675	2,700	10
Cash-flow hedge reserve	13	54	11
Shortfall of allowance to expected losses	-	-	12
Securitization gain on sale (as set out in paragraph 562 of Basel II framework)	-	-	13
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	14
Defined-benefit pension fund net assets	-	-	15
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	69	278	16
Reciprocal cross-holdings in common equity	-	-	17
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	5,084	20,338	18
Amount exceeding the 10% threshold	-	-	19+20+21
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	-	19
Mortgage servicing rights (amount above 10% threshold)	-	-	20
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	21
Amount exceeding the 15% threshold	-	-	22
of which: significant investments in the common stock of financials	-	-	23
of which: mortgage servicing rights	-	-	24
of which: deferred tax assets arising from temporary differences	-	-	25
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		27
Total regulatory adjustments to Common equity Tier 1 (b)	21,513		28
Common Equity Tier 1 capital			
Common Equity Tier 1 capital (CET1) ((a) - (b)) (c)	1,055,229		29

(Unit: 1 Million Yen, %)

Items		Exclusion under transitional arrangements	Basel template number
Additional Tier 1 capital: instruments			
Shareholder's Equity	-		31a
Stock subscription rights	-		31b
Liabilities	-		32
Instruments issued by Special Purpose Companies	-		
Minority interest after adjustments	12,298		34-35
Tier 1 capital under Basel II included in Additional Tier 1 capital under transitional Basel rules	-		33+35
Capital instruments issued by Daiwa Securities Group Inc. and its Special Purpose Companies	-		33
Capital instruments issued by consolidated subsidiaries and affiliates (excluding Special Purpose companies of Daiwa Securities Group Inc.)	-		35
Additional Tier 1 capital under transitional Basel rules	10,953		
Foreign currency translation adjustment	10,953		
Additional Tier 1 capital before regulatory adjustments (d)	23,251		36
Additional Tier 1 capital: regulatory adjustments			
Investments in own Additional Tier 1 instruments	-	-	37
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	38
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	1,467	5,868	39
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	40
Regulatory adjustments of additional Tier 1 capital under transitional Basel rules	7,212		
Goodwill (net of related tax liability)	7,212		
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		42
Total regulatory adjustments to Additional Tier 1 capital (e)	8,679		43
Additional Tier 1 capital			
Additional Tier 1 capital (AT1) ((d) - (e)) (f)	14,572		44
Tier 1 capital			
Tier 1 capital (T1 = CET1 + AT1) ((c) + (f)) (g)	1,069,801		45
Tier 2 capital: instruments and allowance			
Shareholder's Equity	-		
Stock subscription rights	-		
Liabilities	-		46
Capital instruments issued by Special Purpose Companies	-		
Minority interest after adjustments	2,893		48-49
Tier 2 capital under Basel II included in Tier 2 capital under transitional Basel rules	-	-	47+49
Capital instruments issued by Daiwa Securities Group Inc. and its Special Purpose Companies	-	-	47
Capital instruments issued by consolidated subsidiaries and affiliates (excluding Special Purpose companies of Daiwa Securities Group Inc.)	-	-	49
General allowance included and eligible allowance in Tier2 capital	-		50
General allowance	-		50a
Eligible allowance	-		50b
Tier 2 capital under transitional Basel rules	45,537		
Unrealized holding gain or loss on securities and cash flow hedge reserve	45,537		
Tier 2 capital before regulatory adjustments (h)	48,431		51

(Unit: 1 Million Yen, %)

Items		Exclusion under transitional arrangements	Basel template number
Tier 2 capital: regulatory adjustments			
Investments in own Tier 2 instruments	-	-	52
Reciprocal cross-holdings in Tier 2 instruments	-	-	53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	5,781	23,126	54
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	55
Tier 2 capital adjustments under transitional Basel rules	-		
Total regulatory adjustments to Tier 2 capital (i)	5,781		57
Tier 2 capital			
Tier 2 capital (T2) ((h) - (i)) (j)	42,649		58
Total capital			
Total capital (TC = T1 + T2) ((g) + (j)) (k)	1,112,451		59
Risk weighted assets			
Amount of risk weighted assets under transitional Basel rules	107,612		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	49,333		
Intangible assets (other than Goodwill)	55,577		
Deferred tax assets excluding assets arising from temporary differences (net of related tax liability)	2,700		
Total risk weighted assets (l)	4,930,196		60
Consolidated capital adequacy ratio			
Common Equity Tier 1 (as a percentage of risk weighted assets) ((c) / (l))	21.4%		61
Tier 1 (as a percentage of risk weighted assets) ((g) / (l))	21.6%		62
Total capital (as a percentage of risk weighted assets) ((k) / (l))	22.5%		63
Amounts below the thresholds for deduction (before risk weighting)			
Non-significant investments in the capital of other financials	100,916		72
Significant investments in the common stock of financials	46,891		73
Mortgage servicing rights (net of related tax liability)	-		74
Deferred tax assets arising from temporary differences (net of related tax liability)	6,919		75
Applicable caps on the inclusion of allowance in Tier 2			
Allowance eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-		76
Cap on inclusion of allowance in Tier 2 under standardised approach	-		77
Allowance eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-		78
Cap for inclusion of allowance in Tier 2 under internal ratings-based approach	-		79
Capital instruments subject to phase-out arrangements			
Current cap on AT1 instruments subject to phase out arrangements	-		82
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-		83
Current cap on T2 instruments subject to phase out arrangements	-		84
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		85

9. The amount of each account in Balance sheet as in published statement and the reference number in composition of capital disclosure under the assumption of the financial statement under the regulatory scope of consolidation complying the Capital Adequacy Ratio Accord item 3

(Unit: 1 Million Yen)

	Balance Sheet as in published statement	Under regulatory scope of consolidation	Reference number in composition of capital disclosure
Current assets			
Cash and deposits	2,398,513	2,398,513	
Cash segregated as deposits	277,963	277,963	
Notes and accounts receivable-trade	14,328	14,328	
Short-term investment securities	2,684,733	2,684,733	18, 39, 54, 72, 73
Trading products	7,656,559	7,656,559	16, 18, 39, 54, 72, 73
Trade date accrual	1,230,486	1,230,486	
Operational investment securities	141,087	141,087	18, 39, 54, 72, 73
Allowance for investment loss	35,014	35,014	
Operating loans	233,496	233,496	
Work in process	1,026	1,026	
Margin transaction assets	231,768	231,768	
Loans secured by securities	5,823,882	5,823,882	
Advances paid	22,146	22,146	
Short-term loans receivable	1,929	1,929	
Accrued income	29,975	29,975	
Deferred tax assets	8,451	8,451	10, 75
Other current assets	568,720	568,720	
Allowance for doubtful accounts	204	204	
Total current assets	21,289,850	21,289,850	
Noncurrent assets			
Tangible assets	443,549	443,549	
Intangible assets	78,487	78,487	
Goodwill	9,015	9,015	8
Others	69,472	69,472	9
Investments and other assets	239,102	239,102	
Investment securities	204,860	204,860	18, 39, 54, 72, 73
Deferred tax assets	4,974	4,974	10, 75
Others	29,268	29,268	
Total noncurrent assets	761,139	761,139	
Total assets	22,050,990	22,050,990	

(Unit: 1 Million Yen)

	Balance Sheet as in published statement	Under regulatory scope of consolidation	Reference number in composition of capital disclosure
Liabilities			
Current liabilities			
Notes and accounts payable-trade	5,179	5,179	
Trading products	5,035,029	5,035,029	
Margin transaction liabilities	49,732	49,732	
Loans payable secured by securities	8,783,549	8,783,549	
Deposits from banking business	2,343,714	2,343,714	
Deposits received	273,610	273,610	
Guarantee deposits received	409,065	409,065	
Short-term loans payable	840,847	840,847	
Commercial papers	196,080	196,080	
Current portion of bonds	173,937	173,937	
Income taxes payable	2,448	2,448	
Deferred tax liabilities	15,686	15,686	
Provision for bonuses	13,286	13,286	
Other current liabilities	462,944	462,944	
Noncurrent liabilities			
Bonds payable	1,328,786	1,328,786	
Long-term loans payable	778,708	778,708	
Deferred tax liabilities	18,339	18,339	
Provision for retirement benefits	34,430	34,430	
Provision for loss on litigation	1,875	1,875	
Negative goodwill	2,282	2,282	
Other noncurrent liabilities	18,210	18,210	
Reserves under the special laws	3,643	3,643	
Total liabilities	20,791,390	20,791,390	
Net assets			
Shareholder's equity			
Common stock	247,397	247,397	1a
Capital surplus	230,771	230,771	1a
Retained earnings	533,652	533,652	2
Treasury stock	17,295	17,295	1c
Deposit for subscriptions to treasury stock	0	0	1c
Total shareholder's equity	994,526	994,526	
Accumulated other comprehensive income			
Valuation difference on available- for-sale securities	100,269	100,269	
Cash flow hedge reserve	24,709	24,709	11
Foreign currency translation adjustment	13,691	13,691	
Total accumulated other comprehensive income	89,252	89,252	3
Stock subscription rights	7,528	7,528	1b
Minority interests	168,292	168,292	34-35, 48-49
Total net assets	1,259,599	1,259,599	

10. Overview of main features of regulatory capital instruments

1	Issuer	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment	
4	Transitional Basel III rules	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Common stock
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	
	Consolidated Capital Adequacy Ratio	994,526 million
9	Par value of instrument	-
10	Accounting classification	
	Consolidated Balance Sheet	Shareholder's equity
11	Original date of issuance	-
12	Perpetual or dated	NA
13	Original maturity date	-
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	-
16	Subsequent call dates, if applicable	-
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	-
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, mandatory or optional conversion	-
28	If convertible, specify instrument type convertible into	-
29	If convertible, specify issuer of instrument it converts into	-
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	-
32	If write-down, full or partial	-
33	If write-down, permanent or temporary	-
34	If temporary write-down, description of write-up mechanism	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	-

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2006	Stock subscription right series 3
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	287 million	1,182 million
9	Par value of instrument	-	-
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2006	September 4 , 2006
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2026	June 23, 2016
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	-
16	Subsequent call dates, if applicable	-	-
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	-	-
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	-	-
25	If convertible, fully or partially	-	-
26	If convertible, conversion rate	-	-
27	If convertible, mandatory or optional conversion	-	-
28	If convertible, specify instrument type convertible into	-	-
29	If convertible, specify issuer of instrument it converts into	-	-
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	-	-
32	If write-down, full or partial	-	-
33	If write-down, permanent or temporary	-	-
34	If temporary write-down, description of write-up mechanism	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	-	-

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2007	Stock subscription right series 4
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	309 million	825 million
9	Par value of instrument	-	-
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2007	September 3, 2007
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2027	June 22, 2017
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	-
16	Subsequent call dates, if applicable	-	-
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	-	-
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	-	-
25	If convertible, fully or partially	-	-
26	If convertible, conversion rate	-	-
27	If convertible, mandatory or optional conversion	-	-
28	If convertible, specify instrument type convertible into	-	-
29	If convertible, specify issuer of instrument it converts into	-	-
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	-	-
32	If write-down, full or partial	-	-
33	If write-down, permanent or temporary	-	-
34	If temporary write-down, description of write-up mechanism	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	-	-

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2008	Stock subscription right series 5
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	285 million	691 million
9	Par value of instrument	-	-
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2008	September 8 , 2008
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2028	June 20, 2018
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	-
16	Subsequent call dates, if applicable	-	-
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	-	-
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	-	-
25	If convertible, fully or partially	-	-
26	If convertible, conversion rate	-	-
27	If convertible, mandatory or optional conversion	-	-
28	If convertible, specify instrument type convertible into	-	-
29	If convertible, specify issuer of instrument it converts into	-	-
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	-	-
32	If write-down, full or partial	-	-
33	If write-down, permanent or temporary	-	-
34	If temporary write-down, description of write-up mechanism	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	-	-

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2009	Stock subscription right series 6
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	343 million	635 million
9	Par value of instrument	-	-
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2009	November 9 , 2009
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2029	June 19, 2019
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	-
16	Subsequent call dates, if applicable	-	-
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	-	-
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	-	-
25	If convertible, fully or partially	-	-
26	If convertible, conversion rate	-	-
27	If convertible, mandatory or optional conversion	-	-
28	If convertible, specify instrument type convertible into	-	-
29	If convertible, specify issuer of instrument it converts into	-	-
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	-	-
32	If write-down, full or partial	-	-
33	If write-down, permanent or temporary	-	-
34	If temporary write-down, description of write-up mechanism	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	-	-

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2010	Stock subscription right series 7
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	380 million	487 million
9	Par value of instrument	-	-
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2010	September 1, 2010
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2030	June 25, 2020
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	-
16	Subsequent call dates, if applicable	-	-
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	-	-
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	-	-
25	If convertible, fully or partially	-	-
26	If convertible, conversion rate	-	-
27	If convertible, mandatory or optional conversion	-	-
28	If convertible, specify instrument type convertible into	-	-
29	If convertible, specify issuer of instrument it converts into	-	-
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	-	-
32	If write-down, full or partial	-	-
33	If write-down, permanent or temporary	-	-
34	If temporary write-down, description of write-up mechanism	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	-	-

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2011	Stock subscription right series 8
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	431 million	306 million
9	Par value of instrument	-	-
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2011	September 5, 2011
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2031	June 24, 2021
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	-
16	Subsequent call dates, if applicable	-	-
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	-	-
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	-	-
25	If convertible, fully or partially	-	-
26	If convertible, conversion rate	-	-
27	If convertible, mandatory or optional conversion	-	-
28	If convertible, specify instrument type convertible into	-	-
29	If convertible, specify issuer of instrument it converts into	-	-
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	-	-
32	If write-down, full or partial	-	-
33	If write-down, permanent or temporary	-	-
34	If temporary write-down, description of write-up mechanism	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	-	-

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in February 2013	Stock subscription right series 9
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	472 million	392 million
9	Par value of instrument	-	-
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	February 12, 2013	February 12, 2013
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2032	June 26, 2022
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	-
16	Subsequent call dates, if applicable	-	-
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	-	-
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	-	-
25	If convertible, fully or partially	-	-
26	If convertible, conversion rate	-	-
27	If convertible, mandatory or optional conversion	-	-
28	If convertible, specify instrument type convertible into	-	-
29	If convertible, specify issuer of instrument it converts into	-	-
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	-	-
32	If write-down, full or partial	-	-
33	If write-down, permanent or temporary	-	-
34	If temporary write-down, description of write-up mechanism	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	-	-

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in February 2014	Stock subscription right series 10
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	386 million	110 million
9	Par value of instrument	-	-
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	February 10, 2014	February 10, 2014
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2033	June 25, 2023
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	-
16	Subsequent call dates, if applicable	-	-
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	-	-
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	-	-
25	If convertible, fully or partially	-	-
26	If convertible, conversion rate	-	-
27	If convertible, mandatory or optional conversion	-	-
28	If convertible, specify instrument type convertible into	-	-
29	If convertible, specify issuer of instrument it converts into	-	-
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	-	-
32	If write-down, full or partial	-	-
33	If write-down, permanent or temporary	-	-
34	If temporary write-down, description of write-up mechanism	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	-	-

1	Issuer	Daiwa Office Investment Corporation
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment	
4	Transitional Basel III rules	Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital
5	Post-transitional Basel III rules	Additional Tier 1 capital, Tier 2 capital
6	Eligible at solo/group/group&solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Investment unit
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	
	Consolidated Capital Adequacy Ratio	72,030 million
9	Par value of instrument	-
10	Accounting classification	
	Consolidated Balance Sheet	Minority interest
11	Original date of issuance	-
12	Perpetual or dated	NA
13	Original maturity date	-
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	-
16	Subsequent call dates, if applicable	-
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	-
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, mandatory or optional conversion	-
28	If convertible, specify instrument type convertible into	-
29	If convertible, specify issuer of instrument it converts into	-
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	-
32	If write-down, full or partial	-
33	If write-down, permanent or temporary	-
34	If temporary write-down, description of write-up mechanism	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	-

11. Details of main features of regulatory capital instruments

The details are the same with the overview as the regulatory capital instruments held by the Group are all common equity.

End