

August 30, 2013

Daiwa Securities Group Inc.

Report Regarding Situation of Soundness in Management
as of June 30, 2013

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, 2013.

(Unit : 1 Million Yen)

	June 2013
1. Consolidated Total Capital Ratio	19.7 %
2. Consolidated Tier 1 Capital Ratio	18.9 %
3. Consolidated Common Equity Tier 1 Capital Ratio	18.9 %
4. Total Qualifying Capital	1,016,368
5. Tier 1 Capital	975,902
6. Common Equity Tier1	975,902
7. Total Capital Requirements	412,323

8. Composition of capital disclosure

(Unit: 1 Million Yen, %)

Items		Exclusion under transitional arrangements	Basel III template number
Common Equity Tier 1 capital: instruments and reserves			
Shareholder's Equity	904,807		1a+2-1c-26
Common stock and capital surplus	478,091		1a
Retained earnings	445,380		2
Treasury stock (△)	18,663		1c
Planned distributions (△)	-		26
Others	-		
Stock subscription rights	6,545		1b
Accumulated other comprehensive income (and other reserves)	-	50,974	3
Minority interest after adjustments	-		5
Common Equity Tier 1 capital under transitional Basel III rules	72,177		
Minority interest	72,177		
Common Equity Tier 1 capital before regulatory adjustments (a)	983,531		6
Common Equity Tier 1 capital: regulatory adjustments			
Intangible assets other than mortgage-servicing rights (net of related tax liability)	-	80,767	8+9
Goodwill (net of related tax liability)	-	13,441	8
Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	67,325	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	4,489	10
Cash-flow hedge reserve	-	△25	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)	-	198	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)	-	37,619	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	7,628		27
Total regulatory adjustments to Common equity Tier 1 (b)	7,628		28
Common Equity Tier 1 capital			
Common Equity Tier 1 capital (CET1) ((a) - (b)) (c)	975,902		29

(Unit: 1 Million Yen, %)

Items		Exclusion under transitional arrangements	Basel III template number	
Additional Tier 1 capital:instruments				
Shareholder's Equity	-		31a	30
Stock subscription rights	-		31b	
Liabilities	-		32	
Instruments issued by Special Purpose Companies	-			
Minority interest after adjustments	11,100		34-35	
Tier 1 capital under Basel II included in Additional Tier 1 capital under transitional Basel III 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 III rules		△5,287		
Minority interest	-			
Foreign currency translation adjustment	△5,287			
Additional Tier 1 capital before regulatory adjustments (d)		5,813	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)	-	8,872	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)	-	73	40	
Regulatory adjustments of additional Tier 1 capital under transitional Basel III rules		13,441		
Goodwill (net of related tax liability)	13,441			
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)		13,441	43	
Additional Tier 1 capital				
Additional Tier 1 capital (AT1) ((d) - (e)) (f)		-	44	
Tier 1 capital				
Tier 1 capital (T1 = CET1 + AT1) ((c) + (f)) (g)		975,902	45	
Tier 2 capital: instruments and allowance				
Shareholder's Equity	-		46	
Stock subscription rights	-			
Liabilities	-			
Capital instruments issued by Special Purpose Companies	-			
Minority interest after adjustments	2,611		48-49	
Tier 2 capital under Basel II included in Tier 2 capital under transitional Basel III 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 III rules		37,928		
Capital instruments included in Tier 2 capital	-			
Unrealized holding gain or loss on securities and cash flow hedge reserve	37,928			
Tier 2 capital before regulatory adjustments (h)		40,540	51	

(Unit: 1 Million Yen, %)

Items	Exclusion under transitional arrangements	Basel III 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)	- 46,995	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 III rules	73	
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	73	
Total regulatory adjustments to Tier 2 capital (i)	73	57
Tier 2 capital		
Tier 2 capital (T2) ((h) - (i)) (j)	40,466	58
Total capital		
Total capital (TC = T1 + T2) ((g) + (j)) (k)	1,016,368	59
Risk weighted assets		
Amount of risk weighted assets under transitional Basel III rules	165,301	
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)	93,486	
Intangible assets(other than Goodwill)	67,325	
Deferred tax assets excluding assets arising from temporary differences(net of related tax liability)	4,489	
Total risk weighted assets (l)	5,154,042	60
Consolidated capital adequacy ratio		
Common Equity Tier 1 (as a percentage of risk weighted assets) ((c) / (l))	18.9%	61
Tier 1 (as a percentage of risk weighted assets) ((g) / (l))	18.9%	62
Total capital (as a percentage of risk weighted assets) ((k) / (l))	19.7%	63
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financials	87,689	72
Significant investments in the common stock of financials	45,702	73
Mortgage servicing rights (net of related tax liability)	-	74
Deferred tax assets arising from temporary differences (net of related tax liability)	6,743	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	1,455,601	1,455,601	
Cash segregated as deposits	265,523	265,523	
Notes and accounts receivable-trade	12,847	12,847	
Short-term investment securities	2,290,511	2,290,511	18, 39, 54, 72, 73
Trading products	8,421,460	8,421,460	16, 18, 39, 54, 72, 73
Operational investment securities	141,170	141,170	18, 39, 54, 72, 73
Allowance for investment loss	△ 35,230	△ 35,230	
Operating loans	196,399	196,399	
Work in process	829	829	
Margin transaction assets	246,806	246,806	
Loans secured by securities	5,451,033	5,451,033	
Advances paid	16,702	16,702	
Short-term loans receivable	6,112	6,112	
Accrued income	28,763	28,763	
Deferred tax assets	8,298	8,298	10, 75
Other current assets	304,581	304,581	
Allowance for doubtful accounts	△ 332	△ 332	
Total current assets	18,811,079	18,811,079	
Noncurrent assets			
Tangible assets	413,718	413,718	
Intangible assets	80,767	80,767	
Goodwill	13,441	13,441	8
Others	67,325	67,325	9
Investments and other assets	235,299	235,299	
Investment securities	200,580	200,580	18, 39, 54, 72, 73
Deferred tax assets	2,933	2,933	10, 75
Others	31,786	31,786	
Total noncurrent assets	729,784	729,784	
Total assets	19,540,864	19,540,864	

(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	3,568	3,568	
Trading products	5,083,887	5,083,887	
Trading date accrual	969,656	969,656	
Margin transaction liabilities	40,443	40,443	
Loans payable secured by securities	6,347,424	6,347,424	
Deposits from banking business	1,893,414	1,893,414	
Deposits received	230,146	230,146	
Guarantee deposits received	316,807	316,807	
Short-term loans payable	795,962	795,962	
Commercial papers	319,622	319,622	
Current portion of bonds	277,942	277,942	
Income taxes payable	5,465	5,465	
Deferred tax liabilities	12,015	12,015	
Provision for bonuses	17,358	17,358	
Other current liabilities	137,338	137,338	
Noncurrent liabilities			
Bonds payable	1,205,403	1,205,403	
Long-term loans payable	683,529	683,529	
Deferred tax liabilities	12,396	12,396	
Provision for retirement benefits	32,170	32,170	
Provision for loss on litigation	643	643	
Negative goodwill	6,848	6,848	
Other noncurrent liabilities	17,230	17,230	
Reserves under the special laws	2,555	2,555	
Total liabilities	18,411,830	18,411,830	
Net assets			
Shareholder's equity			
Common stock	247,397	247,397	1a
Capital surplus	230,693	230,693	1a
Retained earnings	445,380	445,380	2
Treasury stock	△ 18,663	△ 18,663	1c
Total shareholder's equity	904,807	904,807	
Accumulated other comprehensive income			
Valuation difference on available-for- sale securities	57,413	57,413	
Cash flow hedge reserve	△ 1,152	△ 1,152	11
Foreign currency translation adjustment	△ 5,287	△ 5,287	
Total accumulated other comprehensive income	50,974	50,974	3
Stock subscription rights	6,545	6,545	1b
Minority interests	166,705	166,705	34-35, 48-49
Total net assets	1,129,033	1,129,033	

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	904,807 million Yen
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	Group	Group
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	297 million Yen	1,200 million Yen
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	Group	Group
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	320 million Yen	838 million Yen
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	Group	Group
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	292 million Yen	755 million Yen
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	Group	Group
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	354 million Yen	528 million Yen
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	Group	Group
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	382 million Yen	360 million Yen
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	Group	Group
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 Yen	198 million Yen
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	Group	Group
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 Yen	115 million Yen
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 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	85,889 million Yen
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