



# **3Q FY2009 Earnings Announcement**

**January 29, 2010  
Daiwa Securities Group Inc.**

This presentation may contain forward-looking statements about the Daiwa Securities Group. You can identify these statements by the fact that they do not relate strictly to historic or current facts. These statements discuss future expectations, identify strategies, contain projections of results of operations or of financial conditions or state other “forward-looking” information. These statements are based on currently available information and represent the beliefs of the management of the Daiwa Securities Group. These statements are subject to numerous risks and uncertainties that could cause the Daiwa Securities Group’s actual results, performance, achievements or financial condition to differ materially from those described or implied in the forward-looking statements. The Daiwa Securities Group undertakes no obligation to publicly update any forward-looking statements after the date of this presentation. These potential risks and uncertainties include, but are not limited to: competition within the financial services industries in Japan and overseas, our ability to adjust our business focus and to maintain profitable strategic alliances, volatile and sudden movements in the international securities markets, foreign exchange and global economic situations affecting the Daiwa Securities Group.

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# Consolidated Highlights

- Consolidated annualized ROE for 3Q : 11.0% ( Retail : 6.6%, Wholesale : 18.9% )  
1-3Q : 7.5% ( Retail : 9.3%, Wholesale : 9.2% )
- Due to the dissolution of the wholesale business joint venture with SMFG, Daiwa Securities Group acquired all shares of Daiwa Securities SMBC (present: Daiwa Securities Capital Markets) held by SMFG.
- Due to the TOB of SANYO Electric shares, the net gain on private equity and other securities significantly increased. As a result, 3Q consolidated ordinary income was Y67.8bil, and 3Q net income was Y26.3bil.
- Due to the significant increase of investment banking commissions, 3Q total commission of Y67.2bil, up 16% q/q.
- 3Q trading income decreased to Y7.7bil, down 73% q/q due to the decline in bond trading revenues.

## 3Q FY09 Highlights

- Net operating revenues: Y 165.5bil, up 90% q/q.
- Ordinary income: Y 67.8bil
- Net income: Y 26.3bil

## 1-3Q FY09 Highlights

- Net operating revenues: Y 360.0bil, up 147% y/y.
- Ordinary income: Y 92.7bil
- Net income: Y 46.2bil

# Consolidated Financial Summary

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008	% Change vs 1-3Q FY08	FY2008
	3Q	2Q		1-3Q	1-3Q		
Operating revenues	183,615	105,631	73.8%	421,365	335,500	25.6%	413,936
Net operating revenues	165,509	87,137	89.9%	360,011	145,540	147.4%	199,544
SG&A	99,775	85,569	16.6%	271,897	261,346	4.0%	343,270
Ordinary income	67,891	2,037	—	92,756	-113,226	—	-141,150
Net income	26,366	1,991	—	46,227	-67,676	—	-85,039
Total assets	14,873,191	16,129,373		14,873,191	15,113,175		14,182,579
Net assets	938,405	1,249,909		938,405	996,110		952,329
Shareholders' equity*	925,983	988,324		925,983	746,953		720,272
EPS (Y)	15.08	1.15		28.72	-50.27		-63.16
BPS (Y)	529.60	565.26		529.60	554.82		534.99
ROE (Annualized)	11.0%	0.9%		7.5%	—		—

\* Shareholders' equity = owners' equity + valuation and translation adjustments

ROE (Annualized)	3Q	1-3Q
Daiwa Securities	6.6%	9.3%
Daiwa Capital Markets (consolidated)	18.9%	9.2%

# Consolidated P/L Summary

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	% Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
Operating revenues	183,615	105,631	73.8%	132,119	78,436	38,564	421,365	335,500	25.6%	413,936
Commissions	67,256	58,008	15.9%	70,514	43,658	49,383	195,779	165,221	18.5%	208,880
Net gain/loss on trading	7,754	28,536	-72.8%	34,712	31,606	-22,849	71,003	9,315	662.2%	40,921
Net gain/loss on private equity and other securities	86,532	-4,463	—	-1,567	-25,785	-37,478	80,501	-53,692	—	-79,477
Interest and dividend income	12,344	13,792	-10.5%	16,815	16,259	37,525	42,953	176,404	-75.7%	192,663
Other revenues	9,726	9,756	-0.3%	11,644	12,696	11,983	31,127	38,251	-18.6%	50,948
Interest expenses	10,982	11,340	-3.2%	15,508	14,754	34,774	37,831	161,279	-76.5%	176,034
Cost of sales	7,122	7,152	-0.4%	9,247	9,677	9,372	23,522	28,679	-18.0%	38,357
Net operating revenues	165,509	87,137	89.9%	107,364	54,003	-5,582	360,011	145,540	147.4%	199,544
SG&A	99,775	85,569	16.6%	86,552	81,923	83,606	271,897	261,346	4.0%	343,270
Operating income	65,733	1,567	—	20,812	-27,919	-89,189	88,113	-115,805	—	-143,725
Non-operating income	2,134	1,335	59.8%	2,814	1,654	1,256	6,284	6,306	-0.4%	7,961
Non-operating expenses	-22	866	—	798	1,658	2,089	1,641	3,728	-56.0%	5,386
Ordinary income	67,891	2,037	—	22,827	-27,923	-90,022	92,756	-113,226	—	-141,150
Extraordinary gains	106	264	-59.6%	373	3,485	644	744	2,935	-74.6%	6,421
Extraordinary losses	2,353	2,520	-6.7%	1,053	10,913	9,535	5,927	18,150	-67.3%	29,064
Net income	26,366	1,991	—	17,870	-17,363	-53,039	46,227	-67,676	—	-85,039

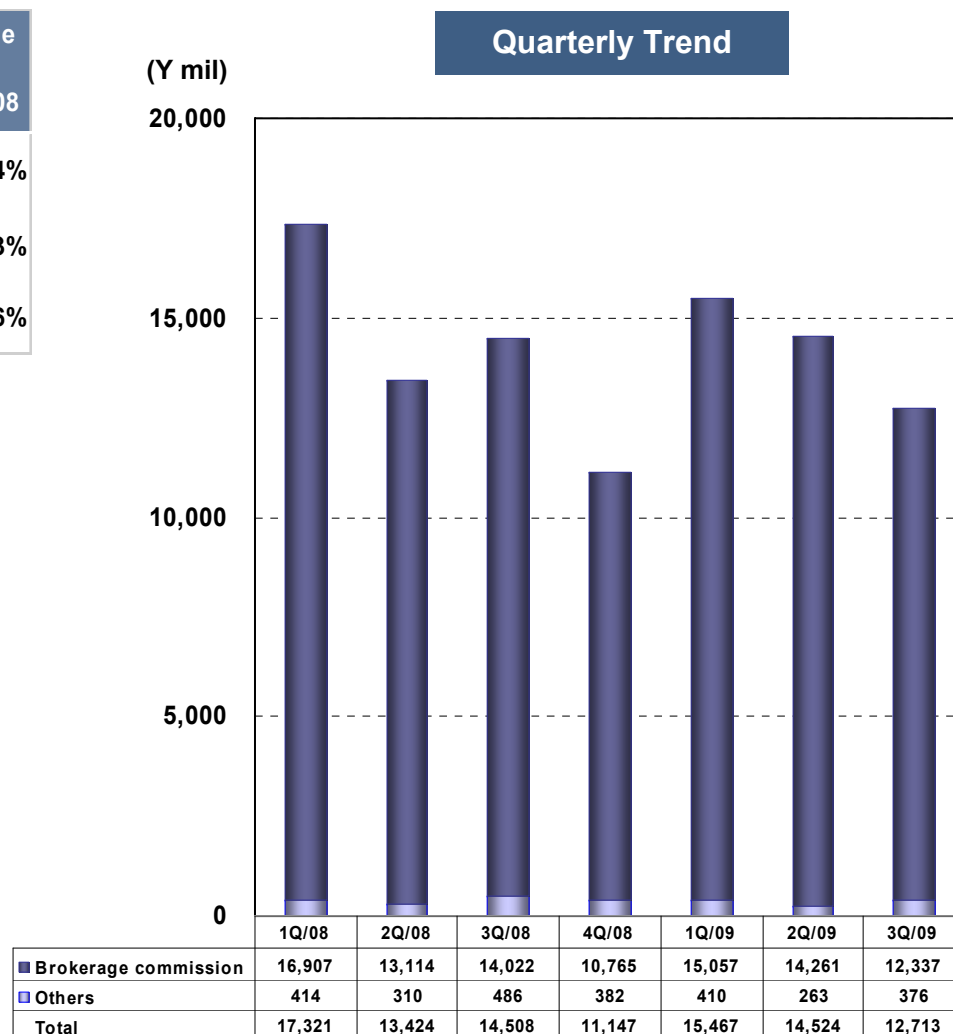
# Consolidated Operating Revenues by Business Sector

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	% Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
Total commission	67,256	58,008	15.9%	70,514	43,658	49,383	195,779	165,221	18.5%	208,880
Equity	12,713	14,524	-12.5%	15,467	11,147	14,508	42,705	45,254	-5.6%	56,401
Fixed income	186	167	11.2%	160	104	148	514	887	-42.0%	991
Investment trust	29,462	27,123	8.6%	24,120	18,361	19,367	80,707	78,639	2.6%	97,001
Investment banking	20,433	11,886	71.9%	26,612	10,205	10,753	58,932	24,709	138.5%	34,914
Others	4,459	4,306	3.5%	4,153	3,840	4,605	12,919	15,731	-17.9%	19,571
Net gain/loss on trading	7,754	28,536	-72.8%	34,712	31,606	-22,849	71,003	9,315	662.2%	40,921
Equity	688	2,184	-68.5%	14,685	9,895	-48,076	17,558	-35,632	—	-25,737
Bond and Forex	7,066	26,351	-73.2%	20,026	21,710	25,226	53,444	44,947	18.9%	66,658
Net gain/loss on private equity and other securities	86,532	-4,463	—	-1,567	-25,785	-37,478	80,501	-53,692	—	-79,477
Net financial income	1,362	2,451	-44.4%	1,307	1,504	2,751	5,121	15,124	-66.1%	16,629

# Consolidated Equity Brokerage Commission

(Y mil)	FY2009 3Q	% Change vs 2Q FY09	FY2009 1-3Q	% Change vs 1-3Q FY08
Brokerage commission	12,337	-13.5%	41,655	-5.4%
Others	376	42.6%	1,050	-13.3%
Total	12,713	-12.5%	42,705	-5.6%

- 3Q average daily trading value on the TSE was ¥1,464.9bil, down 4% q/q.
- 3Q market share on TSE:  
Daiwa Securities Group Overall: 8.2% (2Q: 7.7%)  
 Daiwa Securities: 0.9% (2Q: 1.0%)  
 Daiwa Capital Markets: 7.3% (2Q: 6.6%)
- 3Q online ratio for trading value by individuals at Daiwa Securities was 65.0%. (2Q: 70.2%)
- 3Q average brokerage commission rate at Daiwa Securities was 42bp. (2Q: 40bp)



# Consolidated Investment Trust Commission

(Y mil)	FY2009 3Q	% Change vs 2Q FY09	FY2009 1-3Q	% Change vs 1-3Q FY08
Brokerage commission	113	14.6%	335	-16.5%
Distribution commission	9,756	14.2%	25,534	74.5%
Management fee	19,593	6.0%	54,837	-13.8%
Agency commission	8,481	3.5%	24,283	-19.6%
<b>Total</b>	<b>29,462</b>	<b>8.6%</b>	<b>80,707</b>	<b>2.6%</b>

- 3Q distribution commission was Y9.7bil, up 14% q/q, as newly launched "Daiwa Brazil Stock Open-end Fund (*Wind of Rio de Janeiro*)," and "Daiwa Foreign Bond Fund (*Daiwa Spirit*)" sold well.
- 3Q management fee was Y19.5bil, up 6% q/q, as equity investment trust assets under management increased.

Quarterly Trend

(Y mil)

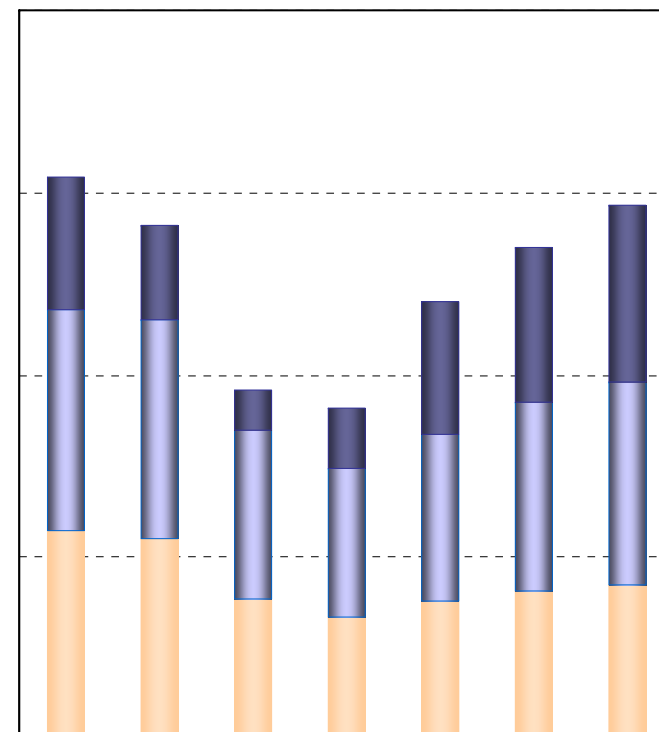
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30,000

20,000

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	1Q/08	2Q/08	3Q/08	4Q/08	1Q/09	2Q/09	3Q/09
■ Distribution commission	7,247	5,195	2,189	3,335	7,237	8,540	9,756
■ Management fee (excl. agency commission)	12,138	12,030	9,235	8,126	9,155	10,287	11,111
■ Agency commission	11,463	11,006	7,729	6,746	7,604	8,197	8,481
<b>Total*</b>	<b>30,956</b>	<b>28,314</b>	<b>19,367</b>	<b>18,361</b>	<b>24,120</b>	<b>27,123</b>	<b>29,462</b>

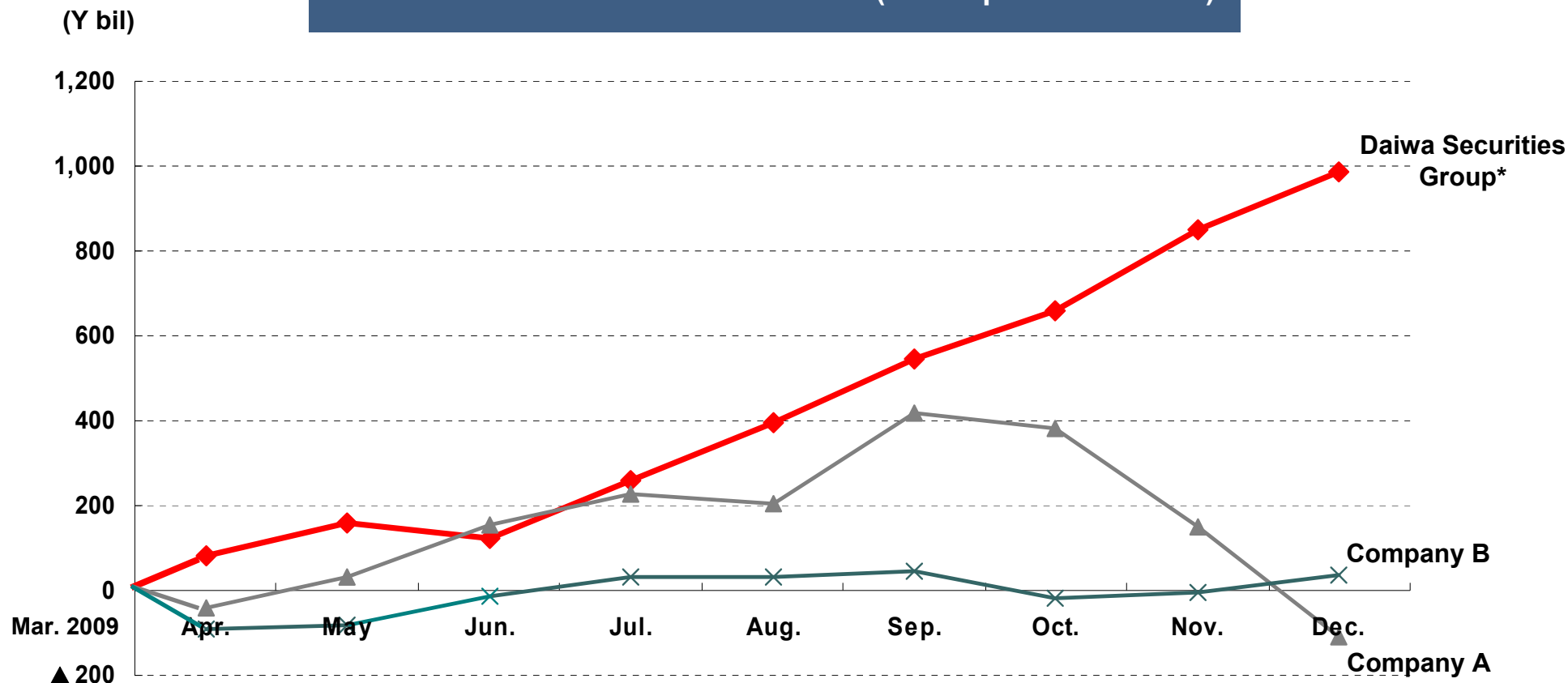
\* Total includes brokerage commission from ETFs.

# Asset Management

## Net Inflow approaches JPY 1 trillion in Equity Investment Trust AUM

PASSION  
FOR THE  
BEST

Accumulated Net Inflow for 9 months (from Apr. to Dec. 2009)



Source: The Investment and Trust Association

\*Daiwa Asset Management + Daiwa SB Investments

# Consolidated Investment Banking Commission

(Y mil)	FY2009 3Q	% Change vs 2Q FY09	FY2009 1-3Q	% Change vs 1-3QH FY08
Underwriting commission (Equity)	12,593	274.6%	36,741	364.0%
Underwriting commission (Bond)	2,528	-27.3%	9,652	32.7%
Distribution commission	244	142.1%	406	-38.9%
Others	5,037	4.5%	11,875	37.0%
M&A commission	4,639	15.5%	9,792	44.2%
Total	20,433	71.9%	58,932	138.5%

- 3Q equity underwriting commission significantly rose to Y12.5bil, up 275% q/q, due to the increase in large equity finance deals such as MUFG.
- Due to the decline in corporate bond offering, 3Q bond underwriting commission was Y2.5bil, down 27% q/q.
- 3Q M&A commission was Y4.6bil, up 16% q/q, attributed to multiple deals.

Quarterly Trend

(Y mil)

30,000

25,000

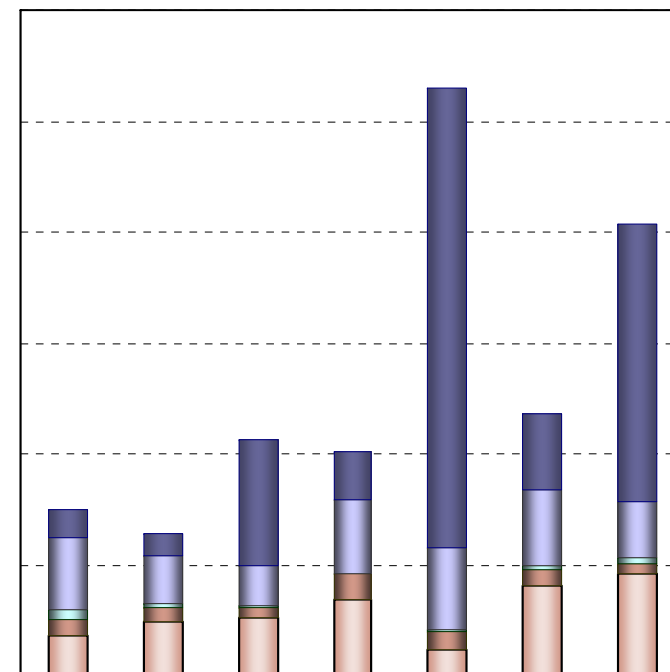
20,000

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Underwriting commission (Equity)	1,297	972	5,648	2,204	20,786	3,362	12,593
Underwriting commission (Bond)	3,259	2,150	1,865	3,267	3,648	3,475	2,528
Distribution commission	418	166	80	59	61	101	244
Others (excl. M&A commission)	713	696	462	1,140	882	802	398
M&A commission	1,806	2,412	2,574	3,418	1,135	4,017	4,639
Total	7,499	6,456	10,753	10,205	26,612	11,886	20,433

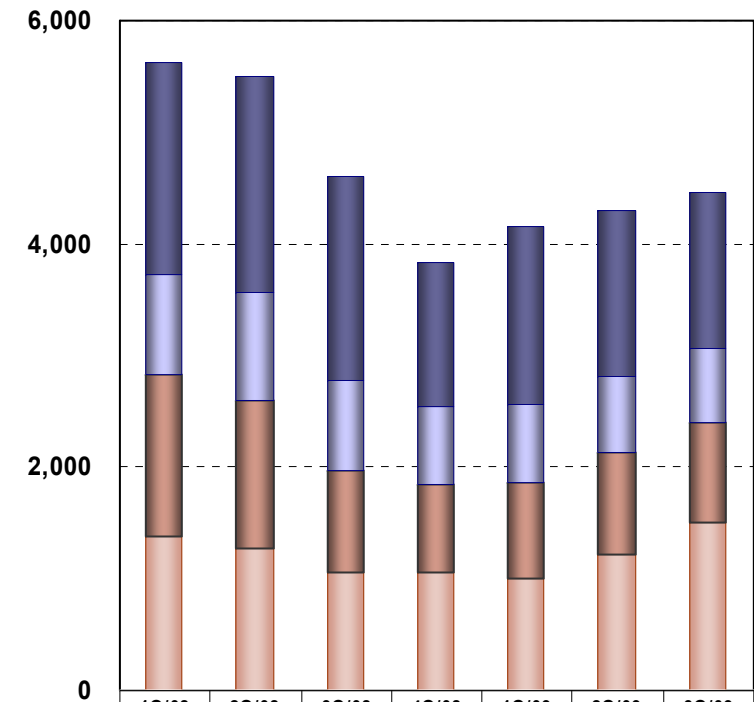
# Consolidated Other Commissions

(Y mil)	FY2009 3Q	% Change vs 2Q FY09	FY2009 1-3Q	% Change vs 1-3Q FY08
Life insurance sales commission	1,394	-7.0%	4,491	-20.6%
Investment enterprise partnership administration fee	660	-3.3%	2,035	-24.0%
Custody fee	892	-2.0%	2,655	-28.4%
Others	1,512	24.7%	3,737	1.3%
Total	4,459	3.5%	12,919	-17.9%

- 3Q life insurance sales commission was Y1.3bil, down 7% q/q.
- 3Q investment enterprise partnership administration fee decreased by 3% q/q to Y0.6bil.
- 3Q custody fee was Y0.8bil, down 2% q/q.

Quarterly Trend

(Y mil)



	1Q/08	2Q/08	3Q/08	4Q/08	1Q/09	2Q/09	3Q/09
Life insurance sales commission	1,887	1,936	1,833	1,290	1,597	1,499	1,394
Investment enterprise partnership administration fee	894	981	801	707	692	683	660
Custody fee	1,462	1,326	918	777	851	910	892
Others	1,373	1,264	1,053	1,065	1,011	1,213	1,512
Total	5,616	5,508	4,605	3,840	4,153	4,306	4,459

# Consolidated Equity & Bond Division Revenues

(Trading gain/loss + net financial income)\*

\* Managerial accounting basis

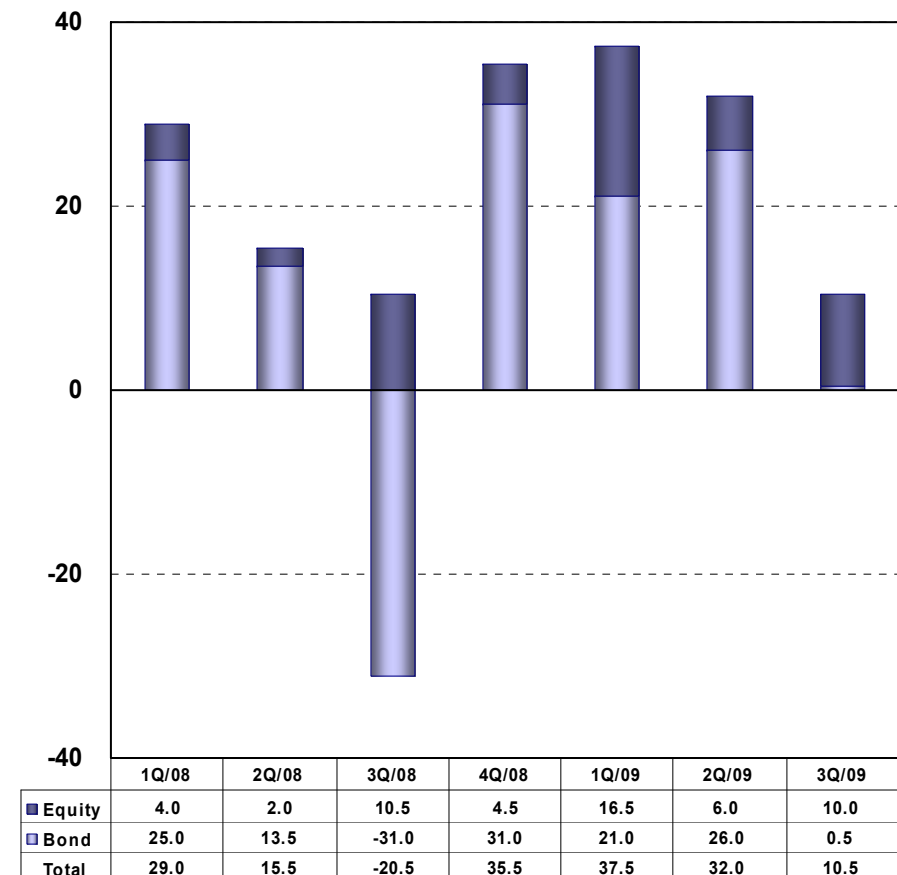
(Y bil)	FY2009 3Q	% Change vs 2Q FY09	FY2009 1-3Q	% Change vs 1-3Q FY08
Equity	10.0	66.7%	32.5	97.0%
Bond	0.5	-98.1%	47.5	533.3%
Total	10.5	-67.2%	80.0	233.3%

<Reference>  
Net Gain/Loss on Trading (Accounting basis)

(Y mil)	FY2009 3Q	% Change vs 2Q FY09	FY2009 1-3Q	% Change vs 1-3Q FY08
Equity	688	-68.5%	17,558	—
Bond and forex	7,066	-73.2%	53,444	18.9%
Total	7,754	-72.8%	71,003	662.2%

Quarterly Trend  
(Managerial accounting basis)

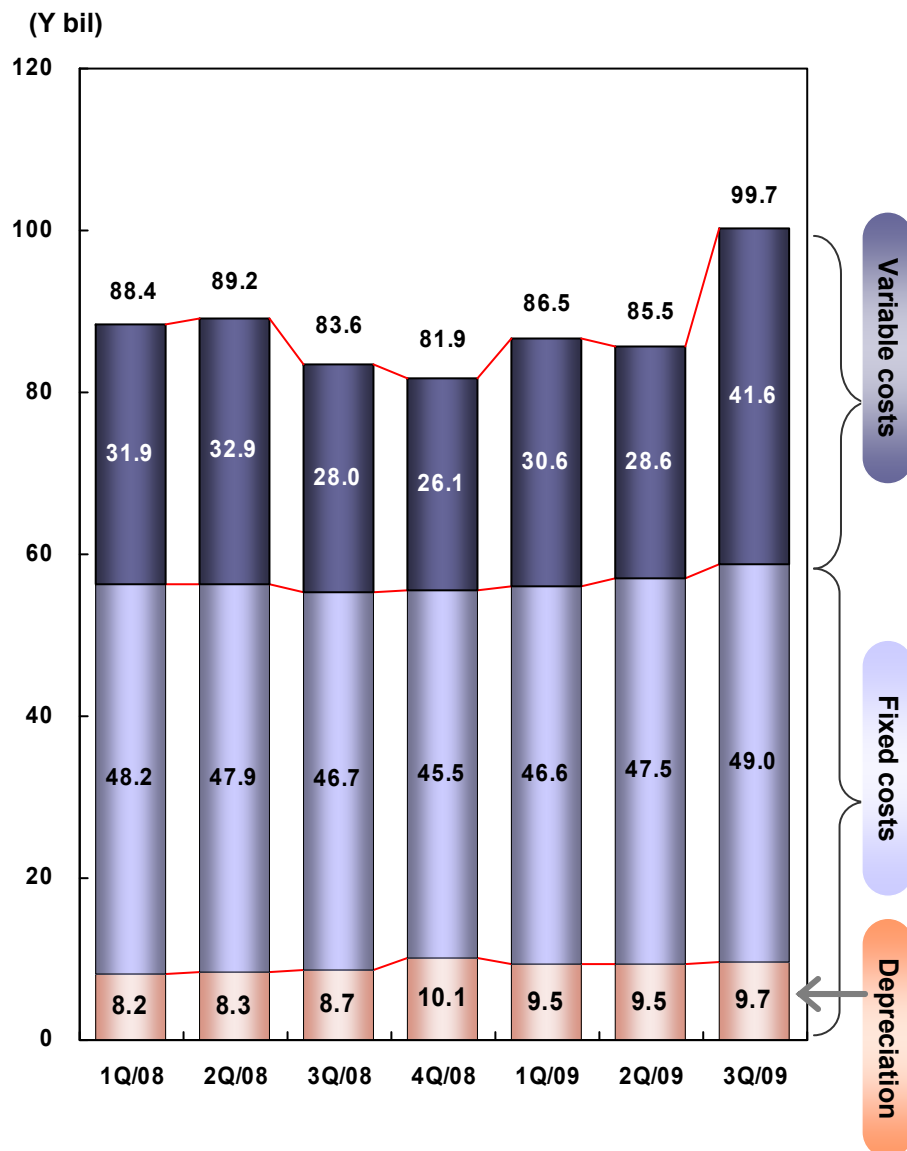
(Y bil)



# Consolidated Breakdown of SG&A

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	% Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
SG&A	99,775	85,569	16.6%	86,552	81,923	83,606	271,897	261,346	4.0%	343,270
Fees and commissions paid	16,014	15,943	0.4%	14,346	14,782	15,380	46,304	51,236	-9.6%	66,018
Personnel costs	52,095	37,274	39.8%	39,938	33,542	35,331	129,308	108,057	19.7%	141,600
Real estate expenses	10,813	10,945	-1.2%	10,555	10,549	10,566	32,313	33,154	-2.5%	43,704
Office expenses	6,174	6,744	-8.5%	6,350	7,174	7,460	19,269	22,983	-16.2%	30,157
Depreciation	9,746	9,545	2.1%	9,506	10,186	8,767	28,798	25,404	13.4%	35,590
Taxes other than income taxes	1,689	1,762	-4.2%	2,113	1,575	1,657	5,565	4,978	11.8%	6,553
Others	3,242	3,353	-3.3%	3,741	4,112	4,444	10,338	15,532	-33.4%	19,645

# Consolidated Cost Structure



(Y bil)	FY2008				FY2009		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total SG&A	88.4	89.2	83.6	81.9	86.5	85.5	99.7
Variable costs	31.9	32.9	28.0	26.1	30.6	28.6	41.6
Fees and commissions paid	18.0	17.8	15.3	14.7	14.3	15.9	16.0
Advertising expenses	2.3	2.3	1.7	1.9	1.5	1.3	1.6
Bonus	5.9	4.9	5.2	4.6	9.7	6.7	19.5
FA remuneration	0.6	0.4	0.2	0.3	0.4	0.4	0.4
Overtime, part-time	2.5	2.4	2.3	1.8	1.9	1.8	1.9
Fixed costs	56.5	56.3	55.5	55.7	56.1	57.1	58.8
Personnel costs	27.9	27.8	27.5	26.6	27.7	28.2	30.1
Real estate expenses	11.0	11.5	10.5	10.5	10.5	10.9	10.8
Depreciation	8.2	8.3	8.7	10.1	9.5	9.5	9.7
Office expenses	7.3	7.0	6.9	6.7	6.0	6.3	5.7
Taxes other than income taxes	1.8	1.5	1.6	1.5	2.1	1.7	1.6

# Consolidated Balance Sheet

## Consolidated Balance Sheet (12/09)

(Y bil)

<b>Current assets</b>	<b>14,354</b>	<b>(+677)</b>	<b>Current liabilities</b>	<b>12,272</b>	<b>(+574)</b>
Trading assets	6,932	(+728)	Trading liabilities	4,203	(-605)
Trading securities and others	4,915	(+1,351)	Trading securities and others	2,679	(+34)
Stocks, convertible bonds	310	(+122)	Stocks, convertible bonds	109	(+19)
Bonds	4,501	(+1,346)	Bonds	2,567	(+13)
Beneficiary certificates	78	(-49)	Beneficiary certificates	1	(+1)
CD/CP and others	25	(-67)	Derivative liabilities	1,524	(-640)
Derivative assets	2,016	(-623)	Short-term borrowings	2,661	(+1,725)
Private equity and other securities	242	(-272)	Commercial paper	386	(+65)
(after Allowance for possible investment losses)					
Daiwa Securities SMBC PI	197	(-268)	Collateralized short-term financing	4,368	(-524)
Daiwa SMBC Capital	45	(-3)	agreements		
Collateralized short-term financing	5,407	(-6)			
agreements			<b>Non-current liabilities</b>	<b>1,658</b>	<b>(+130)</b>
<b>Non-current assets</b>	<b>518</b>	<b>(+13)</b>	Bonds and notes	1,249	(-10)
Tangible fixed assets	145	(-5)	Long-term debts	354	(+116)
Intangible fixed assets	122	(+11)	<b>Total liabilities</b>	<b>13,934</b>	<b>(+704)</b>
Investments and others	251	(+6)	<b>Net assets</b>	<b>938</b>	<b>(-13)</b>
Investment securities	184	(+17)	Owners' equity	932	(+236)
Listed stocks	85	(+4)	Valuation and translation adjustments	-6	(-30)
Unlisted stocks	29	(+0)	Minority interests	9	(-220)
Others	70	(+12)			
Others	66	(-10)			
<b>Total assets</b>	<b>14,873</b>	<b>(+690)</b>	<b>Total liabilities and net assets</b>	<b>14,873</b>	<b>(+690)</b>

Note: Figures in parenthesis indicate changes from 3/09. 15

# Consolidated Customer Assets and Assets Under Management

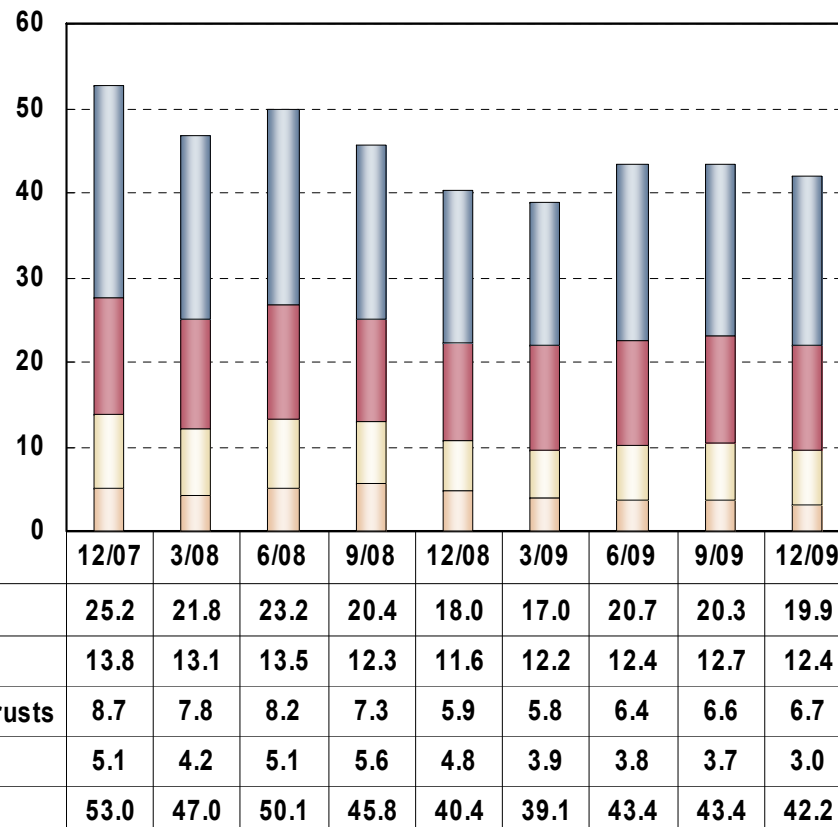
## Customer Assets (Overall Group)

12/09: Y 42.2 tri

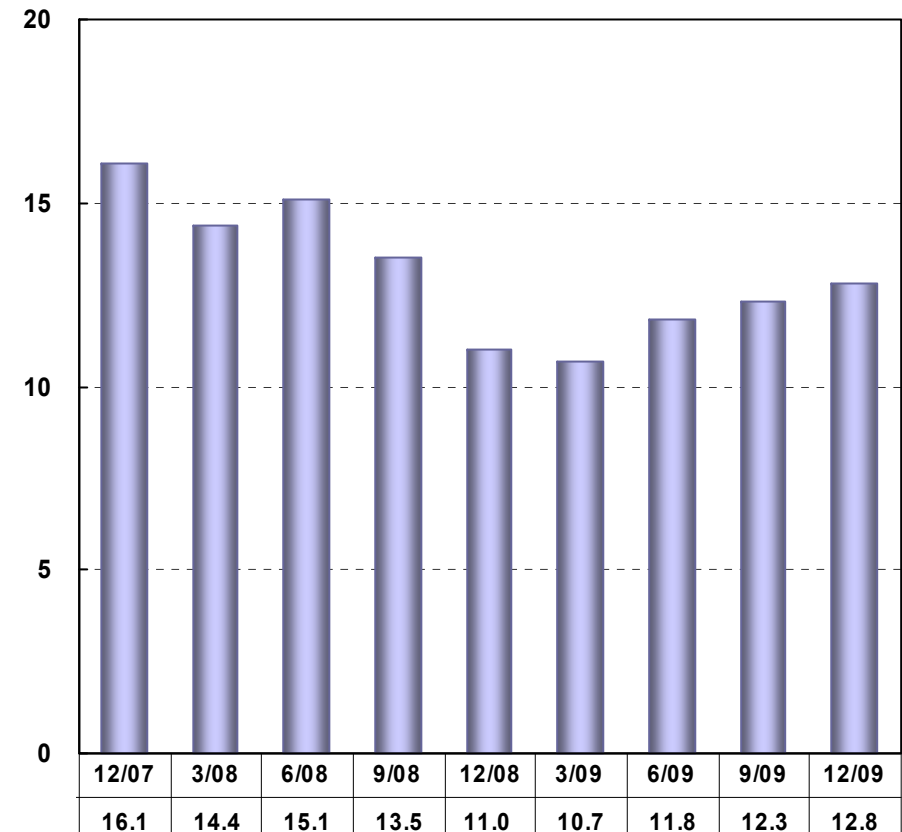
## Assets Under Management (Overall Group)

12/09: Y 12.8 tri

(Y tri)



(Y tri)



Note: Investment trusts AUM at Daiwa Asset Management and Daiwa SB Investments + contract assets for investment advisory at Daiwa SB Investments

# Retail - Daiwa Securities - Highlights



- 3Q net operating revenues were Y50.2bil, up 9% q/q, and ordinary income was Y7.1bil.
- 3Q equity brokerage commission was Y6.9bil, down 20% q/q, due to the decrease in market trading volume among retail investors.
- 3Q distribution commission was Y16.7bil, up 15% q/q, as the equity finance deals increased, and sales of equity investment trusts were strong.
- 3Q net gain on trading was Y13.4bil, up 37% q/q, due to the increase of foreign equity trading volume and strong sales of foreign-currency denominated bonds.
- Sales of equity investment trusts was Y476.9bil, up 10% q/q, due to the strong sales of newly launched “Daiwa Brazil Stock Open-end Fund (*Wind of Rio de Janeiro*),” and “Daiwa Foreign Bond Fund (*Daiwa Spirit*).”
- Number of Daiwa Direct accounts continuously increased to 1.22mil as of 12/09.
- Started “Daiwa 365FX” (FX margin trading on exchange) in November 2009. Total 3Q trading value of Daiwa 365FX and Daiwa FX (OTC FX margin trading), was approx. Y2.5tri, and the total number of accounts exceeded 35,000 as of 12/09.
- For wrap account service, the number of customers significantly rose to 18,378 due to the increase in new contracts, keeping No.1 position in industry. Contract assets under management was Y233bil as of 12/09.

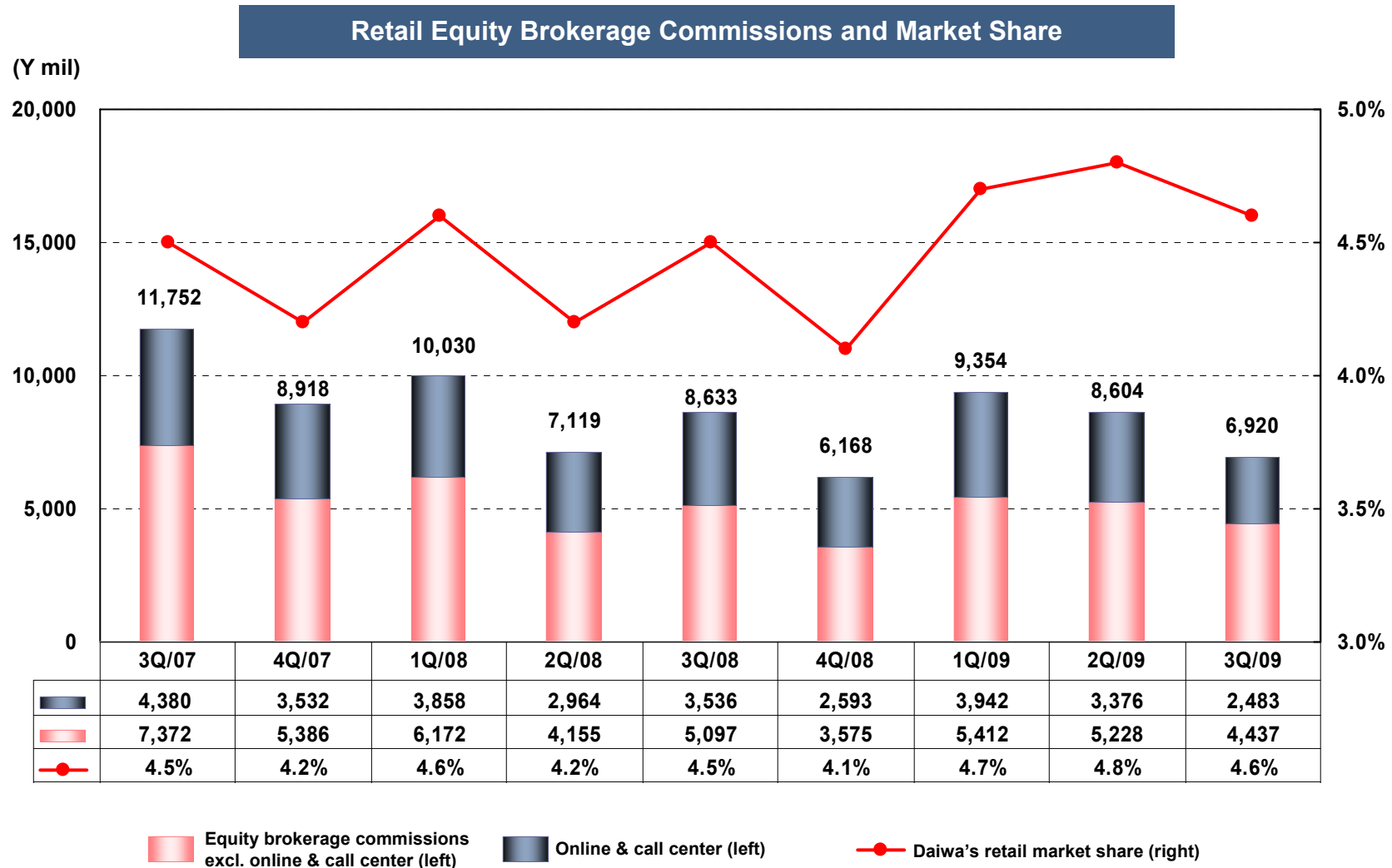
# Retail - Daiwa Securities - Financial Summary

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	% Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
Operating revenues	50,641	46,391	9.2%	49,043	36,496	33,763	146,077	123,387	18.4%	159,883
Commissions	35,962	35,339	1.8%	36,731	22,537	26,165	108,033	93,011	16.2%	115,549
Brokerage	7,043	8,688	-18.9%	9,463	6,308	8,827	25,196	26,129	-3.6%	32,438
Stock and others	6,920	8,604	-19.6%	9,354	6,168	8,633	24,878	25,784	-3.5%	31,952
Distribution	16,705	14,516	15.1%	15,471	5,170	5,008	46,693	22,574	106.8%	27,744
Stock and others	5,095	3,777	34.9%	6,675	551	1,056	15,547	1,321	—	1,873
Bond and others	2,208	2,476	-10.8%	1,796	1,535	1,909	6,481	7,131	-9.1%	8,667
Investment trust	9,401	8,262	13.8%	6,999	3,082	2,042	24,663	14,120	74.7%	17,203
Other commissions	12,213	12,134	0.6%	11,796	11,059	12,329	36,144	44,307	-18.4%	55,367
Investment trust	8,228	7,944	3.6%	7,352	6,503	7,409	23,524	29,048	-19.0%	35,551
Net gain/loss on trading	13,404	9,802	36.7%	10,980	12,785	6,289	34,186	25,637	33.3%	38,422
Equity	3,026	1,794	68.7%	2,033	1,115	678	6,853	3,652	87.6%	4,767
Bond and forex	10,377	8,008	29.6%	8,946	11,669	5,610	27,333	21,984	24.3%	33,654
Interest and dividend income	1,275	1,249	2.0%	1,332	1,173	1,308	3,856	4,738	-18.6%	5,911
Interest expenses	344	336	2.5%	509	376	484	1,189	1,478	-19.6%	1,855
Net operating revenues	50,297	46,055	9.2%	48,534	36,119	33,278	144,887	121,908	18.8%	158,027
SG&A	43,239	35,110	23.2%	37,554	34,541	34,666	115,904	105,870	9.5%	140,412
Ordinary income	7,151	11,268	-36.5%	11,135	1,926	-1,307	29,555	16,470	79.4%	18,396
Net income	4,030	6,361	-36.6%	6,437	92	-964	16,829	9,790	71.9%	9,882
Capital adequacy ratio	460.9%	439.2%		418.8%	390.7%	395.4%	460.9%	395.4%		390.7%

# Retail - Daiwa Securities - Breakdown of SG&A

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	% Change vs 1-3QFY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
SG&A	<b>43,239</b>	35,110	<b>23.2%</b>	37,554	34,541	34,666	<b>115,904</b>	105,870	<b>9.5%</b>	140,412
Fees and commissions paid	<b>3,899</b>	3,954	<b>-1.4%</b>	3,775	3,702	4,354	<b>11,630</b>	13,613	<b>-14.6%</b>	17,315
Personnel costs	<b>23,053</b>	14,626	<b>57.6%</b>	17,558	13,767	14,560	<b>55,238</b>	45,876	<b>20.4%</b>	59,644
Real estate expenses	<b>4,717</b>	4,915	<b>-4.0%</b>	4,778	4,798	4,656	<b>14,411</b>	14,537	<b>-0.9%</b>	19,336
Office expenses	<b>6,222</b>	6,343	<b>-1.9%</b>	5,988	6,763	6,042	<b>18,554</b>	17,509	<b>6.0%</b>	24,272
Depreciation	<b>4,368</b>	4,290	<b>1.8%</b>	4,310	4,547	4,129	<b>12,969</b>	11,407	<b>13.7%</b>	15,955
Taxes other than income taxes	<b>261</b>	277	<b>-5.7%</b>	410	207	211	<b>949</b>	842	<b>12.7%</b>	1,050
Others	<b>715</b>	702	<b>1.9%</b>	732	754	713	<b>2,150</b>	2,084	<b>3.2%</b>	2,838

# Retail - Daiwa Securities - Equity Brokerage Commissions

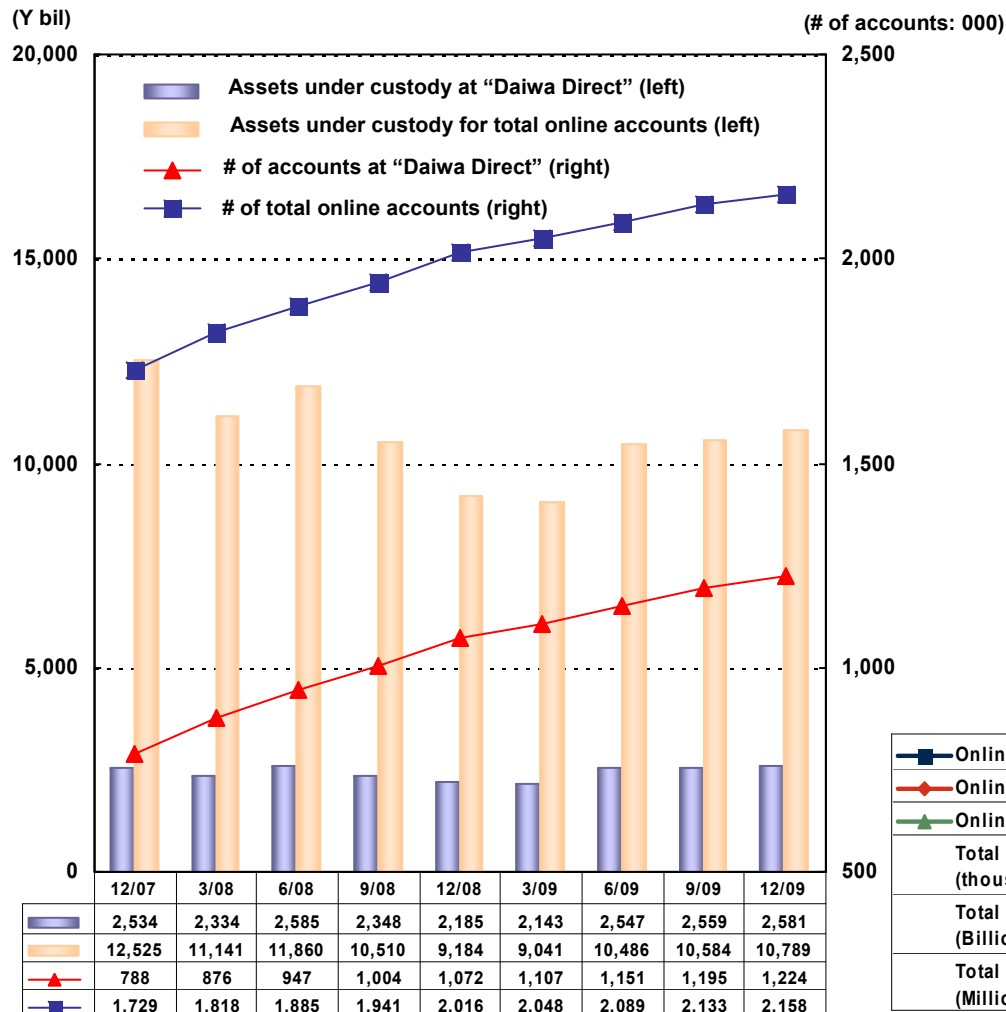


Note: Excludes foreign equities listed on overseas countries.

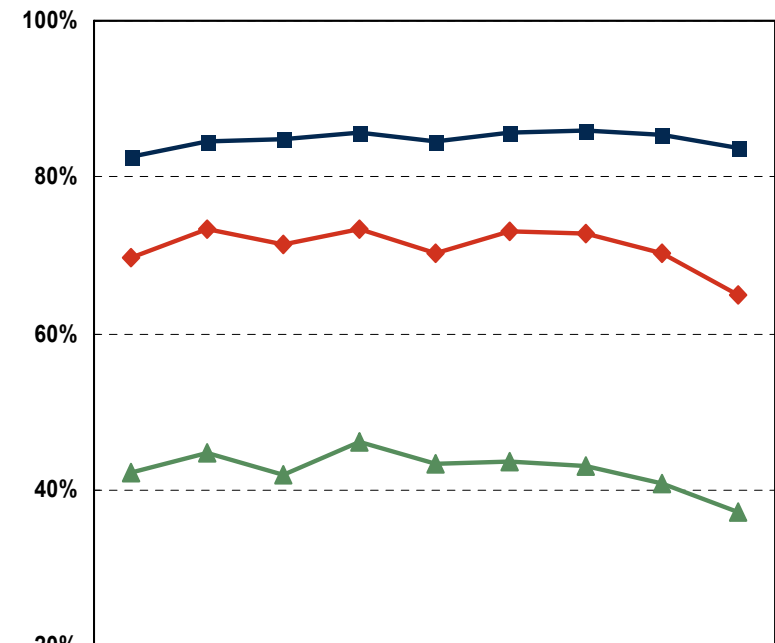
Market share is the share among total trading value by individuals on Tokyo, Osaka, and Nagoya Stock Exchanges.

# Retail - Daiwa Securities - Online Trading (1)

Accounts and Assets under Custody of Online and "Daiwa Direct"



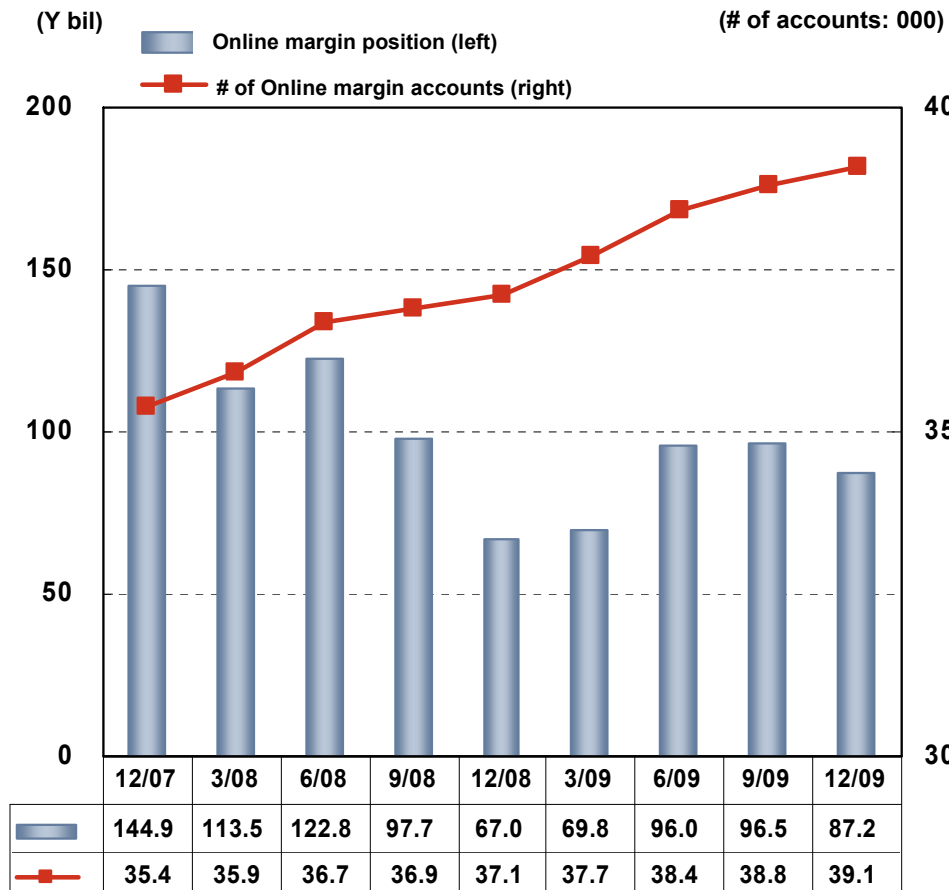
Online Ratio for Retail Investors (Equity)



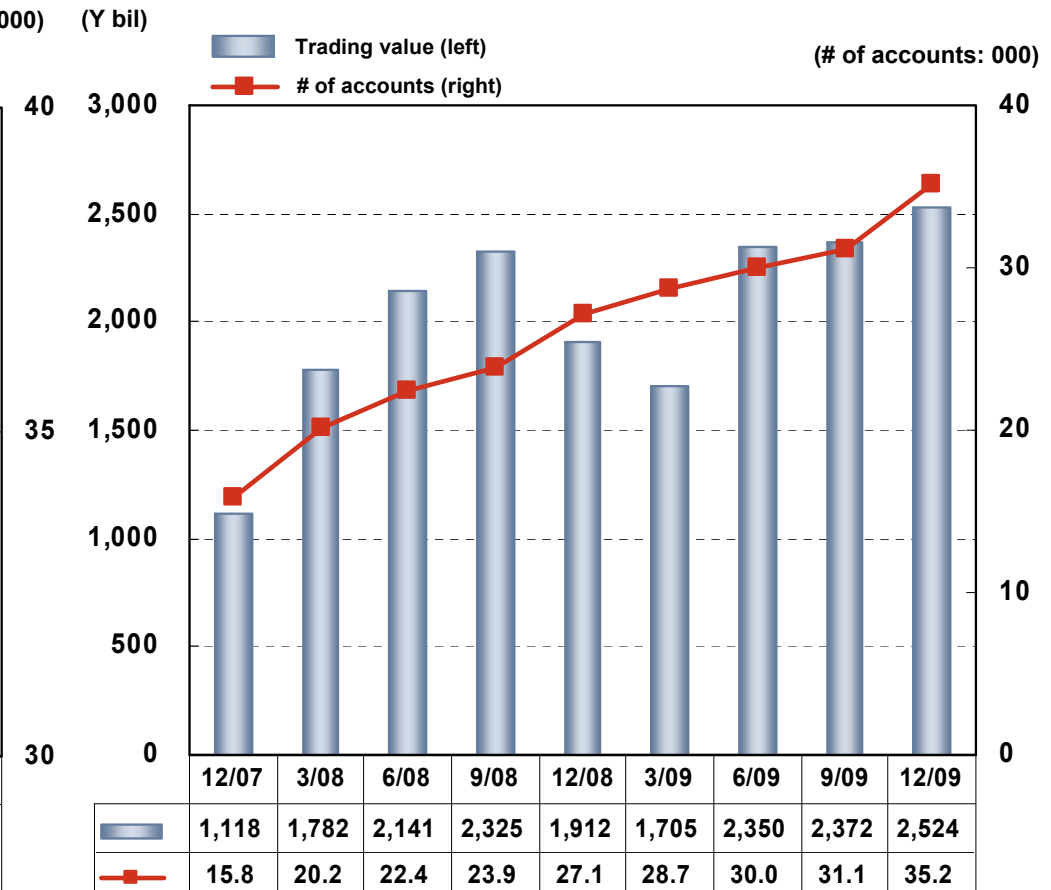
	3Q/07	4Q/07	1Q/08	2Q/08	3Q/08	4Q/08	1Q/09	2Q/09	3Q/09
Online ratio (# of contracts)	82.6%	84.5%	84.9%	85.7%	84.5%	85.6%	86.1%	85.5%	83.6%
Online ratio (trading value)	69.7%	73.4%	71.3%	73.4%	70.2%	73.0%	72.8%	70.2%	65.0%
Online ratio (commission)	42.3%	44.8%	41.9%	46.1%	43.2%	43.7%	42.9%	40.9%	37.0%
Total # of online contracts (thousands)	2,103	1,911	2,004	1,654	2,210	1,676	2,327	1,928	1,462
Total online trading value (Billions of yen)	1,948	1,548	1,809	1,273	1,328	1,002	1,639	1,368	979
Total online equity comm. (Millions of yen)	4,380	3,532	3,850	2,946	3,510	2,567	3,898	3,335	2,451

# Retail - Daiwa Securities - Online Trading (2)

## Accounts and Outstanding Position of "Online Margin Transaction Services"

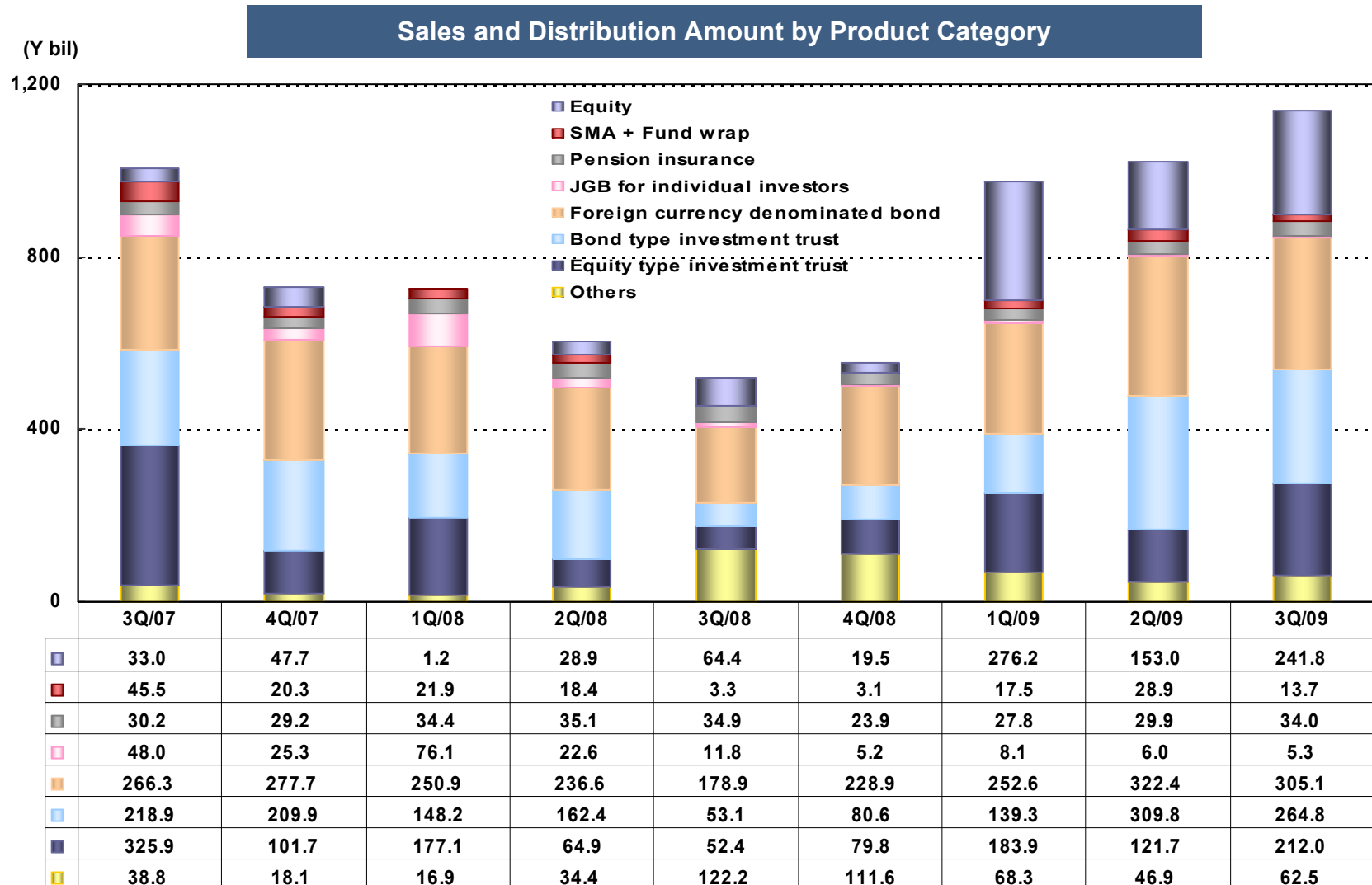


## Total Accounts and Trading Value of "Daiwa FX" (OTC FX margin trading) and "Daiwa 365FX" (FX margin trading on exchange)



Note: Trading value is a total for quarterly period  
 Note: Total figure is the sum of "Daiwa FX" (OTC FX margin trading) and  
 "Daiwa 365FX" (FX margin trading on exchange) since Nov. 2009.

# Retail - Daiwa Securities - Product Sales



Note: "Others" includes sales of yen denominated bonds excluding JGB for individual investors.

Note: "JGB for individual investors" includes sales in PTS.

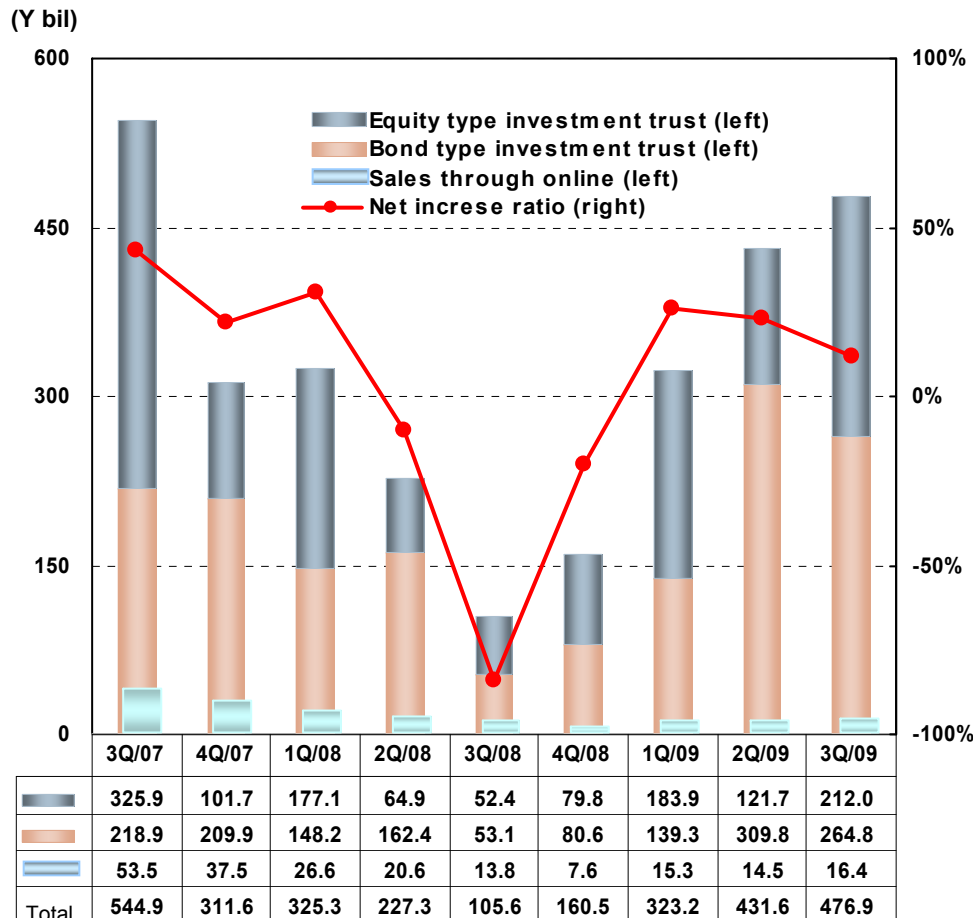
Note: Bond type investment trust and equity type investment trust Include switching transaction between funds.

# Retail - Daiwa Securities -

## Equity Investment Trusts & Foreign Currency Denominated Bonds



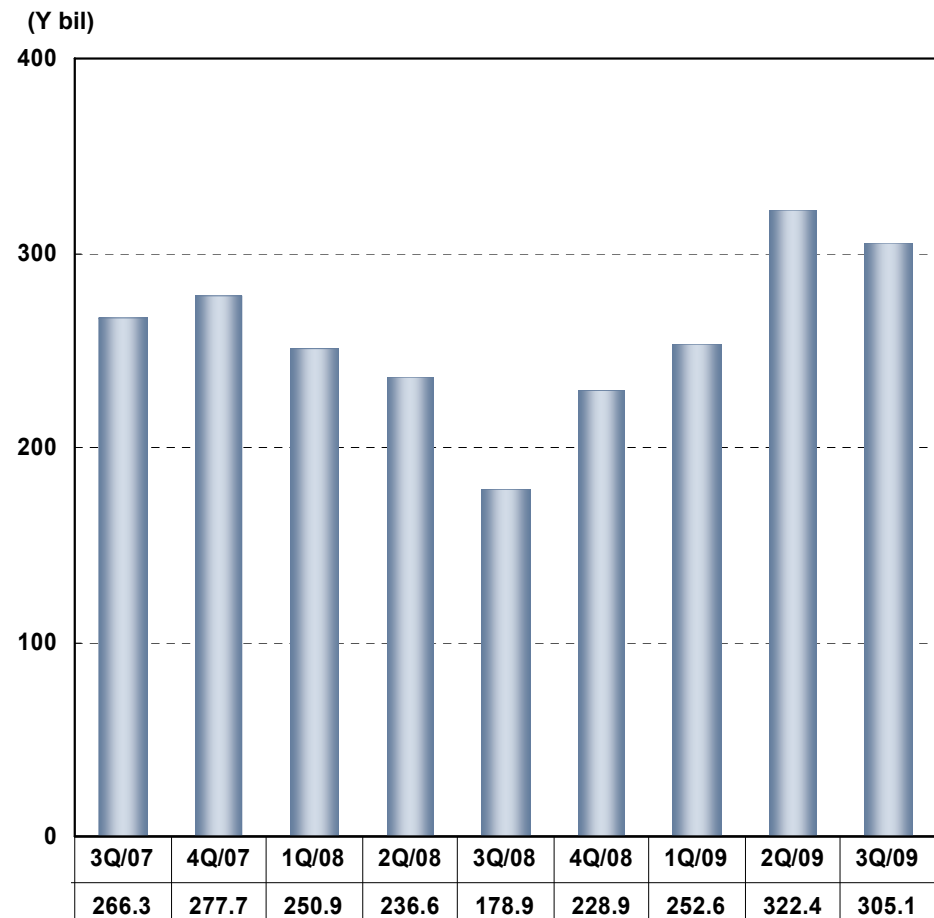
Sales and Net Increase Ratio of  
Equity Investment Trusts



Note: Net increase ratio (%) =  $\frac{\text{purchase} - (\text{sell-off} + \text{redemption})}{\text{purchase}} \times 100$

Note: Include switching transaction between funds.

Sales of  
Foreign Currency Denominated Bonds

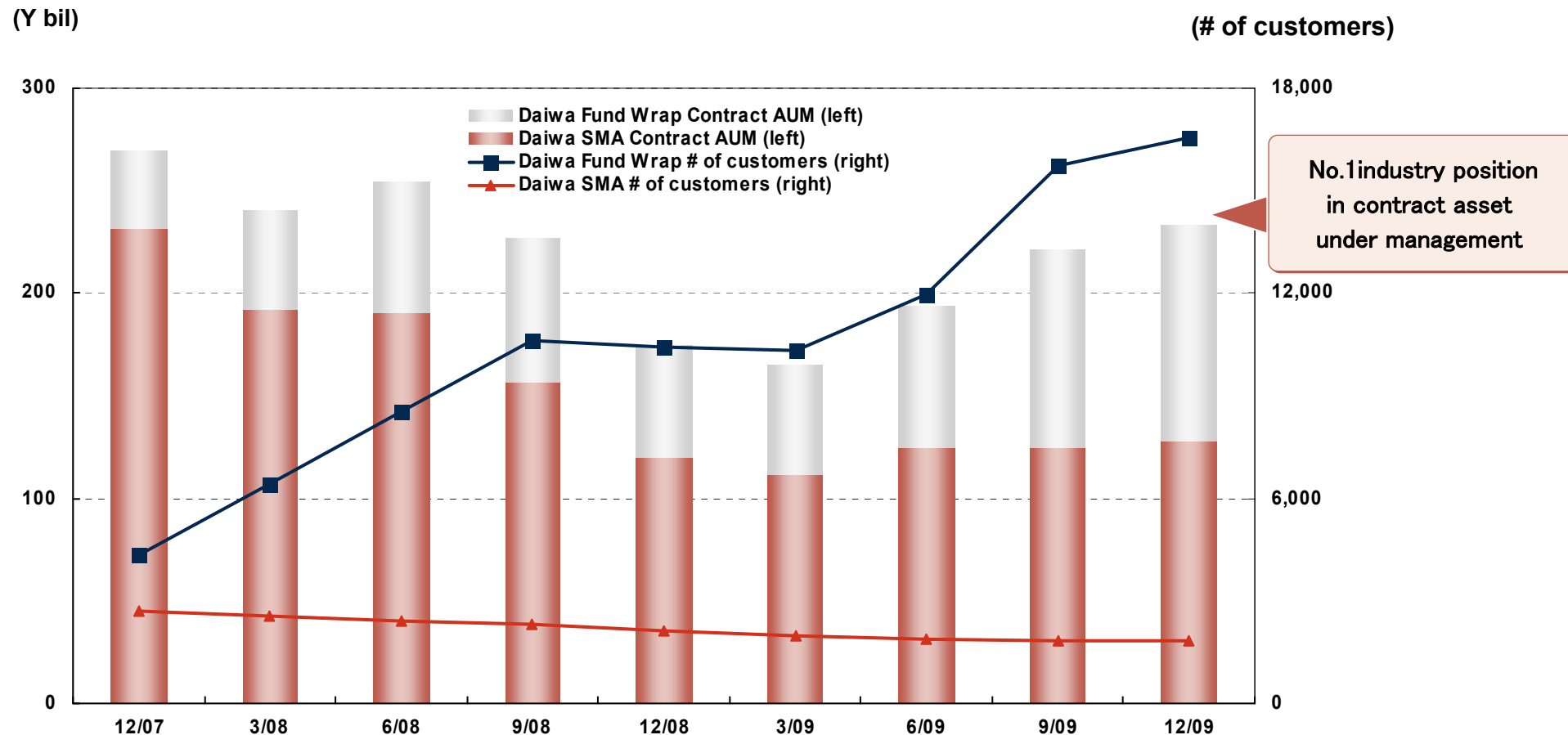


Note: Sales of publicly offered structured bonds were included from 4Q/07.

# Retail - Daiwa Securities - Wrap Account Service

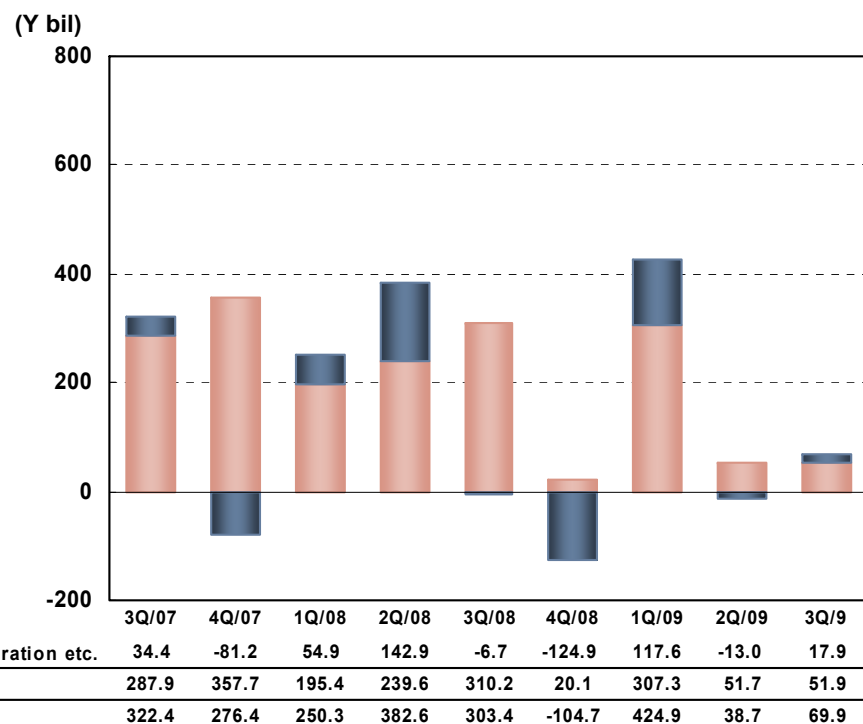


## Daiwa SMA and Daiwa Fund Wrap Contract asset under management & Number of customers

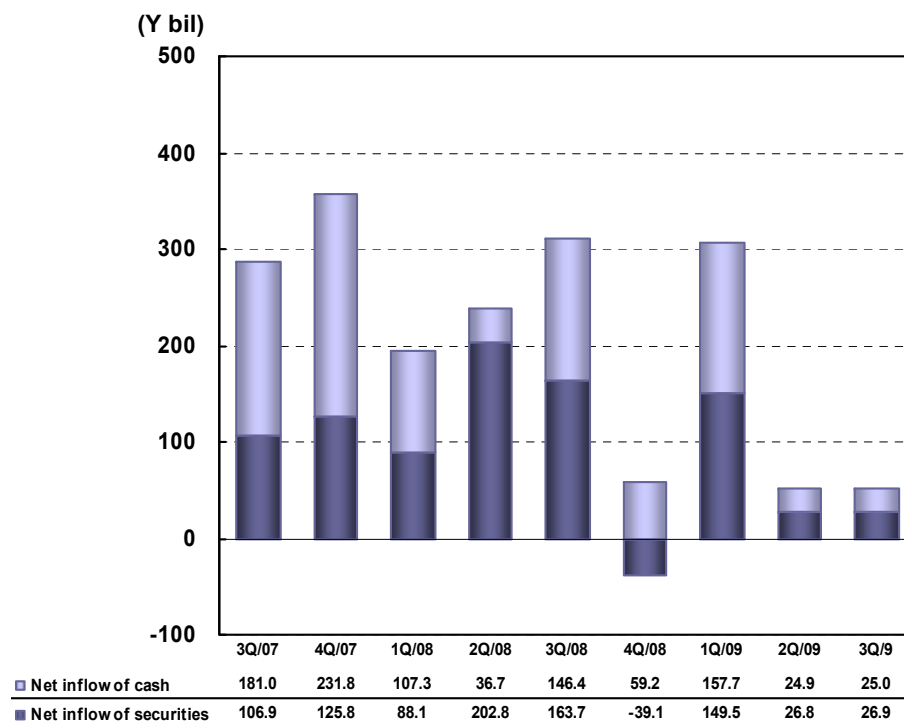


# Retail - Daiwa Securities - Net Inflow of Retail Assets

Net Inflow of Assets



Net Inflow of Cash and Securities (Retail)



Note: Net inflow of assets = net inflow of cash and securities

# Retail - Daiwa Securities – Number of Accounts

(# of Accounts: 000)	FY2007		FY2008				FY2009		
	12/07	3/08	6/08	9/08	12/08	3/09	6/09	9/09	12/09
CMS accounts (Cash Management Service)	2,933	3,022	3,088	3,144	3,222	3,244	3,285	3,323	3,340
Online trading accounts	1,729	1,818	1,885	1,941	2,016	2,048	2,089	2,133	2,158
“Daiwa Direct” accounts	788	876	947	1,004	1,072	1,107	1,151	1,195	1,224
“Daiwa Direct” margin transaction service accounts	35.4	35.9	36.7	36.9	37.1	37.7	38.4	38.8	39.1
FX accounts*	15.8	20.2	22.4	23.9	27.1	28.7	30.0	31.1	35.2
Accounts holding equity	1,263	1,284	1,287	1,306	1,376	1,384	1,401	1,400	1,408
Accounts holding equity investment trusts	671	680	688	687	674	670	674	681	684

	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Newly opened accounts	49	107	84	72	105	51	56	50	35
"Daiwa Direct" Course	20	79	59	44	56	25	36	34	20

\* Total figure is the sum of “Daiwa FX” (OTC FX margin trading) and “Daiwa 365FX” (FX margin trading on exchange) since Nov. 2009.

# Wholesale - Daiwa Securities Capital Markets Consolidated - Highlights

- 3Q net operating revenues were Y106.9bil, up 177% q/q, and ordinary income was Y58.3bil.
- In 1-3Q lead manager league tables, Daiwa Capital Markets ranked 2<sup>nd</sup> for total equity due to the underwriting of large equity finance as a lead manager, and 4<sup>th</sup> for total debt.
- 3Q commissions were Y26.2bil, up 10% q/q, due to the significant increase in equity finance.
- 3Q M&A and other commissions were Y6.4bil, up 9% q/q, attributing to Close Brothers Corporate Finance in addition to other M&A deals.
- 3Q trading loss was Y6bil, due to the refining of valuation for derivative position.
- 3Q ordinary income was Y83.6bil at Daiwa Securities SMBC Principal Investments, mainly due to the TOB of SANYO Electric shares.
- By enhancing Asia business, Daiwa Capital Markets has steadily increased IB deals such as IPO of Tong Yang Life Insurance Company (Korea) as an overseas joint bookrunner, IPO of China High Precision Automation (Hong Kong) as a joint bookrunner, and PO of Patel Engineering (India) as a joint bookrunner. Going forward, focus on recruiting new staff and implement business strategy for further business expansion.

# Wholesale - Daiwa Securities Capital Markets Consolidated - Financial Summary

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009 1Q	FY2008		FY2009 1-3Q	FY2008 1-3Q	% Change vs 1-3Q FY08	FY2008
	3Q	2Q			4Q	3Q				
Operating revenues	114,867	46,128	149.0%	64,358	16,280	-34,916	225,355	29,234	670.9%	45,514
Commissions	26,208	23,729	10.4%	31,699	14,344	16,028	81,637	41,941	94.6%	56,285
Brokerage commission	4,425	4,414	0.2%	4,717	3,746	4,221	13,557	14,467	-6.3%	18,214
Stock and others	4,393	4,385	0.2%	4,688	3,697	4,172	13,467	14,237	-5.4%	17,934
Underwriting commission	15,067	13,262	13.6%	24,237	5,340	7,846	52,567	15,409	241.1%	20,749
Stock and others	12,588	9,880	27.4%	20,734	2,105	5,599	43,204	7,763	456.5%	9,868
Bond and others	2,448	3,254	-24.8%	3,405	3,119	2,123	9,108	7,462	22.1%	10,581
Distribution commission	248	88	180.1%	30	64	73	367	260	41.2%	324
Other commissions (M&A and others)	6,467	5,962	8.5%	2,713	5,192	3,887	15,144	11,803	28.3%	16,996
Net gain/loss on trading	-6,051	17,600	—	22,258	17,703	-33,224	33,807	-22,458	—	-4,754
Equity	-2,529	191	—	12,395	8,600	-49,227	10,057	-40,106	—	-31,505
Bond and forex	-3,522	17,409	—	9,862	9,103	16,003	23,749	17,647	34.6%	26,750
Net gain/loss on private equity and other securities	86,966	-3,615	—	919	-25,712	-34,726	84,270	-49,479	—	-75,191
Interest and dividend income	7,742	8,415	-8.0%	9,380	9,783	17,008	25,538	58,615	-56.4%	68,399
Interest expenses	7,882	7,461	5.6%	9,275	10,880	17,689	24,619	54,181	-54.6%	65,062
Net operating revenues	106,985	38,666	176.7%	54,998	5,251	-52,606	200,651	-25,241	—	-19,989
SG&A	48,484	43,076	12.6%	45,692	35,875	36,170	137,253	112,635	21.9%	148,510
Ordinary income	58,302	-4,099	—	10,177	-29,505	-89,546	64,380	-137,963	—	-167,468
Net income	26,070	-854	—	10,135	-23,434	-78,933	35,350	-121,524	—	-144,958

# Wholesale - Daiwa Securities Capital Markets Consolidated - Breakdown of SG&A

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	% Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
SG&A	<b>48,484</b>	43,076	<b>12.6%</b>	45,692	35,875	36,170	<b>137,253</b>	112,635	<b>21.9%</b>	148,510
Fees and commissions paid	<b>14,999</b>	14,215	<b>5.5%</b>	17,829	9,703	10,494	<b>47,044</b>	32,762	<b>43.6%</b>	42,465
Personnel costs	<b>17,104</b>	12,631	<b>35.4%</b>	11,810	9,780	10,629	<b>41,546</b>	32,138	<b>29.3%</b>	41,918
Real estate expenses	<b>4,472</b>	4,172	<b>7.2%</b>	3,823	3,754	3,702	<b>12,468</b>	13,122	<b>-5.0%</b>	16,877
Office expenses	<b>5,082</b>	5,414	<b>-6.1%</b>	5,633	5,838	5,825	<b>16,130</b>	17,610	<b>-8.4%</b>	23,449
Depreciation	<b>4,552</b>	4,466	<b>1.9%</b>	4,426	4,581	3,681	<b>13,445</b>	11,239	<b>19.6%</b>	15,820
Taxes other than income taxes	<b>898</b>	855	<b>5.0%</b>	1,147	781	748	<b>2,900</b>	2,292	<b>26.5%</b>	3,073
Others	<b>1,373</b>	1,321	<b>4.0%</b>	1,022	1,435	1,089	<b>3,717</b>	3,469	<b>7.2%</b>	4,904

# Wholesale - Daiwa Securities Capital Markets Consolidated - Major League Tables

**Daiwa Capital Markets 1-3Q FY2009 Lead Manager League Table**

	Total debt	Corporate & Agency bonds	Total equity	IPO	Primary and secondary equity offerings	M&A	
						Transaction value	Number of deals
1st	Nomura	Nomura	Nomura	Mitsubishi UFJ	Nomura	Mizuho FG	Mizuho FG
	21.2%	22.9%	41.9%	60.1%	39.4%		
2nd	Mitsubishi UFJ	Mizuho	Daiwa Capital Markets	Mizuho Investors	Daiwa Capital Markets	Nomura	Nomura
	20.3%	21.1%	19.8%	17.0%	21.3%		
3rd	Mizuho	Mitsubishi UFJ	Mitsubishi UFJ	Nomura	Mitsubishi UFJ	Goldman Sachs	Daiwa Capital Markets
	20.2%	19.2%	7.8%	10.4%	7.9%		
4th	Daiwa Capital Markets	Daiwa Capital Markets	Morgan Stanley	Mizuho	Morgan Stanley	Daiwa Capital Markets	MUFG
	17.0%	17.9%	7.2%	7.9%	7.9%		
5th	Nikko Cordial	Nikko Cordial	Goldman Sachs	Daiwa Capital Markets	Goldman Sachs	JP Morgan	GCA
	8.9%	10.8%	6.7%	4.6%	7.0%		

Source: Daiwa Capital Markets **Apr 2009-Dec 2009**

Note: Total debt (straight bonds+agency bonds+samurai bonds+ municipal bonds+ Japan Housing Finance Agency RMBS) based on launch date.  
Total equity (primary and secondary equity offerings (incl. foreign equity)+ domestic CB + overseas CB + IPO + REIT) based on settlement date. IPO based on listing date. Joint lead manager allotment based on underwritten amount.

Source: THOMSON REUTERS **Apr 2009-Dec 2009**  
"M&A advisory league table for any Japanese involvement announced (AD19)"

# Wholesale - Daiwa Securities Capital Markets Consolidated - Investment Banking



## Major lead manager deals (including joint lead issues) & Major M&A publicly announced deals during 3Q

Equity Offerings (including CB)			Straight Bonds		
Mitsubishi UFJ Financial Group	Global public offering	Y1,070.0bil	Kirin Holdings	Total Y100.0bil	
T&D Holdings	Public offering	Y124.0bil	Mitsubishi Heavy Industries	Total Y100.0bil	
NEC	Global public offering	Y123.6bil	Shiseido	Y50.0bil	
Tong Yang Life Insurance Company	IPO (Korea)	Y27.2bil	Coca-Cola WEST	Total Y50.0bil	
China High Precision Automation (Hong Kong)	IPO (Hong Kong)	Y13.6bil	Chuo Mitsui Trust Holdings	Total Y43.0bil	
Patel Engineering (India)	PO (India)	Y6.4bil	Nissan Financial Service	Y40.0bil	
			Central Japan Railway Company	Y40.0bil	
			TEPCO	Y35.0bil	
			Mitsubishi Electric Corporation	Y30.0bil	
			Tohoku Electric Power	Y30.0bil	
Other Bonds			Agency Bonds		
United Mexican States (JBIC Guaranteed)	Samurai bond	Y150.0bil			
Republic of Colombia (JBIC Guaranteed)	Samurai bond	Y45.0bil			
Republic of Poland	Samurai bond	Total Y44.8bil			
Industrial Bank of Korea (IBK)	Samurai bond	Total Y26.2bil			
Microfinance Bond (IFC)	Australian dollar-denominated bond	Y25.1bil			
Hongrun Construction (China)	Yuan-denominated bond	Y6.7bil			
Structured Finance	■ The Japan Housing Finance Agency Secured Pass-through Bonds No.S-18		Y150.0bil (Issue)	Y42.0bil(Underwriting)	
	■ The Japan Housing Finance Agency Secured Pass-through Bonds No.31		Y71.0bil (Issue)	Y20.0bil(Underwriting)	
M&A	■ Acquisition of Kionix, Inc. by Rohm		(Advisor to Rohm)		
	■ Sales of all shares and loans of am/pm Japan Co., Ltd by Rex Holdings to Family Mart		(Advisor to Rex Holdings)		

# Wholesale Daiwa Securities SMBC Principal Investments

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	% Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
Ordinary Income	83,602	-5,011	—	-567	-27,886	-37,373	78,024	-54,077	—	-81,964

	As of 12/09	(change vs 9/09)
<b>Total investment amount:</b>	<b>Approx. Y 191bil</b>	<b>( - Y140bil)</b>
Private equity and PIPEs		
(Private Investment in Public Equities):	Y 92bil	( - Y128bil)
Monetary claims:	Y 62bil	( - Y7bil)
Real estate:	Y 37bil	( - Y5bil)

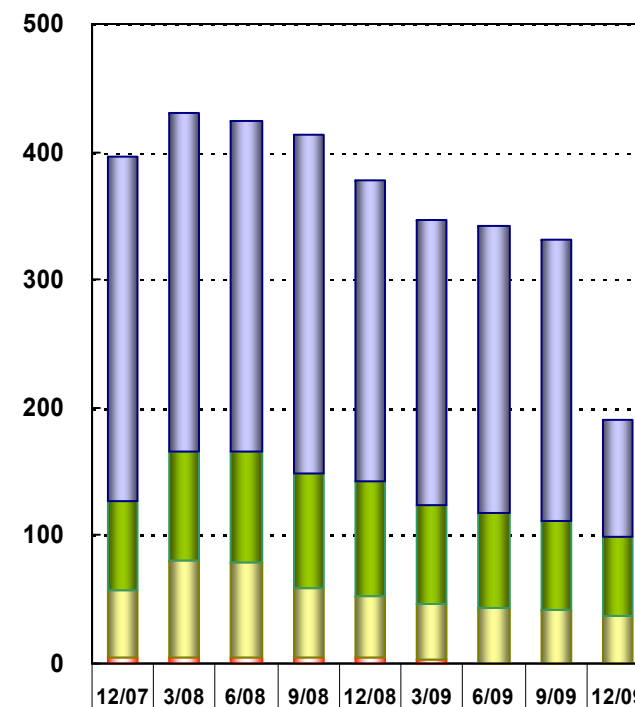
## Recent Topics

TOB of SANYO Electric shares : approx. Y 92.6bil (Sale value : approx. Y 201.6bil)

Posted provision for loss on investments excluding SANYO Electric shares  
: approx. Y18bil

## Daiwa Securities SMBC PI Investment Amount

(Y bil)



	12/07	3/08	6/08	9/08	12/08	3/09	6/09	9/09	12/09
PE & PIPEs	270	265	258	265	234	223	224	220	92
Monetary claims	69	85	87	90	90	77	74	69	62
Real estate	54	76	74	55	48	44	44	42	37
Emission credits	4	4	5	4	5	3	—	—	—
Total	397	430	424	414	377	347	342	331	191

# Wholesale - Daiwa Securities Capital Markets Consolidated - Re-Organization and Change in Balance Sheet

- Daiwa Capital Markets plans to spin off principal investments business, and integrate securities businesses in North America by April, 2010.
- Enhanced balance sheet liquidity and capital is to be utilized for global businesses.
- With emphasis on Asia related businesses and global derivative businesses, growth opportunity is pursued as global investment bank.

## Re-Organization of Wholesale Securities Businesses (Simulation based on Balance Sheet at the end of December, 2009)

(Y bil)

Daiwa Capital Markets - Japan, Europe & Asia -			
Total assets	11,687	Total liabilities	11,193
Current assets	11,585	Current liabilities	10,050
Cash & Deposits	453	Short-term borrowings	2,931
Trading assets	6,556	Trading liabilities	3,945
Repo etc.	3,979	Repo etc.	2,880
Private Equity etc.	197	Non-current liabilities	1,144
Non-current assets	103	Net assets	494



Daiwa Capital Markets - Japan, Europe, Asia & North America-			
Total assets	13,590	Total liabilities	13,096
Current assets	13,481	Current liabilities	11,952
Cash & Deposits	669	Short-term borrowings	2,947
Trading assets	6,862	Trading liabilities	4,202
Repo etc.	5,517	Repo etc.	4,440
Private Equity etc.	0	Non-current liabilities	1,144
Non-current assets	108	Net assets	494

# Asset Management

## Daiwa Asset Management & Daiwa SB Investments



### Daiwa Asset Management

- 3Q operating revenues were Y16.5bil, up 6% q/q. Ordinary income was Y2.3bil, down 14% q/q.
- AUM of publicly offered investment trusts at 12/09 increased to Y8.8tri from Y8.4tri at 9/09, due to strong sales of newly launched “Daiwa Brazil Stock Open-end Fund (*Wind of Rio de Janeiro*),” and “Daiwa Foreign Bond Fund (*Daiwa Spirit*).”

### Daiwa SB Investments

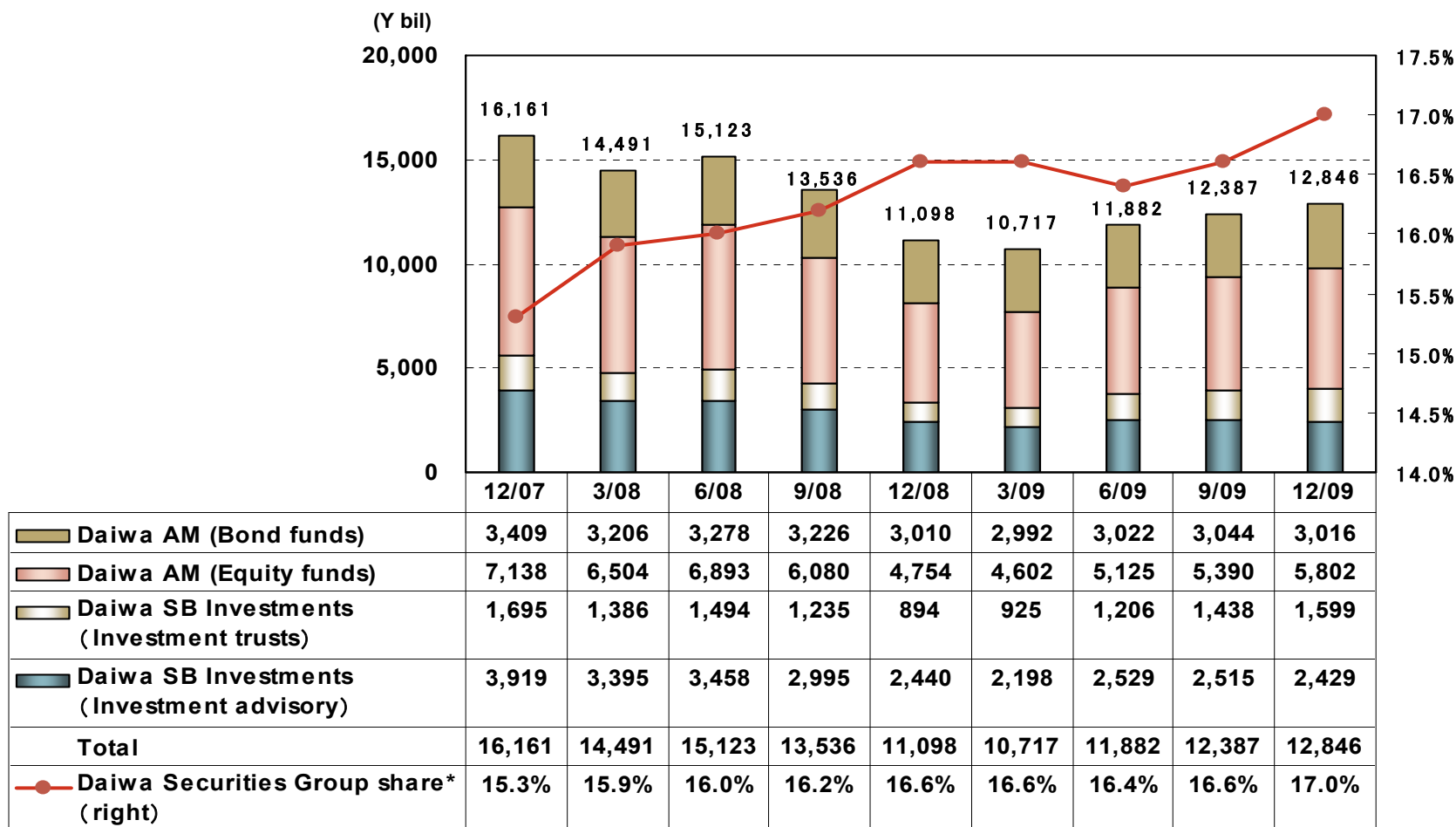
- 3Q ordinary income was Y800mil, up 47% q/q.
- AUM of publicly offered investment trusts at 12/09 increased to Y1.6tri from Y1.4tri at 9/09, due to strong net inflow of asset.
- Daiwa SB Investments was awarded the top prize for overall evaluation in “Newsletter on Pensions and Investment” published by Rating and Investment Information, Inc. (R&I), for “Year 2009’s survey of pension customers’ evaluation on asset management companies.”

# Asset Management - Daiwa Asset Management - Financial Summary

(Y mil)	FY2009		% Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	% Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
Operating revenues	16,518	15,649	5.6%	14,544	12,878	14,913	46,711	55,278	-15.5%	68,157
Management fee	16,404	15,535	5.6%	14,445	12,807	14,841	46,385	54,958	-15.6%	67,765
Equity investment trust	16,001	15,105	5.9%	13,948	12,183	13,744	45,054	51,339	-12.2%	63,522
Bond investment trust	403	429	-6.2%	497	624	1,097	1,330	3,619	-63.2%	4,243
Other operating revenues	114	114	0.1%	98	70	71	326	320	1.9%	391
SG&A	14,253	13,085	8.9%	12,375	11,298	12,674	39,714	44,682	-11.1%	55,981
Commissions paid	9,630	9,189	4.8%	8,597	7,676	8,775	27,417	32,735	-16.2%	40,411
Other SG&A	4,623	3,895	18.7%	3,778	3,622	3,898	12,297	11,947	2.9%	15,569
Operating income	2,264	2,563	-11.7%	2,168	1,579	2,239	6,996	10,596	-34.0%	12,175
Ordinary income	2,301	2,673	-13.9%	2,187	1,532	1,831	7,162	10,081	-29.0%	11,613
Net income	1,377	1,651	-16.6%	1,177	719	888	4,206	5,793	-27.4%	6,513

# Asset Management Assets Under Management

## Assets Under Management



\* Daiwa Asset Management (Bond funds + Equity funds)+Daiwa SB Investments (Investment trusts)

# Domestic Group Companies and Overseas Operation Ordinary Income

## Domestic Group Companies

(Y mil)	FY2009		%Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	%Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
Daiwa Asset Management	2,301	2,673	-13.9%	2,187	1,532	1,831	7,162	10,081	-29.0%	11,613
DIR Group*	1,059	2,027	-47.7%	1,365	1,890	1,648	4,452	7,250	-38.6%	9,140
Daiwa SMBC Capital	-932	-1,320	—	-2,971	-650	-3,304	-5,224	-5,244	—	-5,895
Other Domestic Group Companies	586	695	-15.6%	542	-7	-203	1,824	-2,961	—	-2,969
Total**	3,015	4,075	-26.0%	1,124	2,764	-28	8,214	9,125	-10.0%	11,889

Daiwa SB Investments	819	558	46.7%	393	87	645	1,772	2,896	-38.8%	2,984
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## Overseas

America	-140	250	—	2,430	-1,209	3,772	2,540	6,016	-57.8%	4,806
Europe	-349	1,020	—	2,874	-1,260	-2,013	3,545	-3,637	—	-4,898
Asia/Oceania	-229	199	—	576	-775	-792	546	-778	—	-1,553
Total	-720	1,470	—	5,881	-3,245	965	6,632	1,600	314.5%	-1,645

\* DIR Group includes Daiwa Institute of Research Holdings, Daiwa Institute of Research, and Daiwa Institute of Research Business Innovation.  
(Excluding in-group transactions and dividend from subsidiaries)

\*\* Total figure of domestic consolidated Group companies except Daiwa Securities and Daiwa Capital Markets and its domestic subsidiaries.

# Topics

## Transfer shares of Daiwa America Corporation (DAC) (Press Release on December 22, 2009)

### 1. Outline of the Agreement :

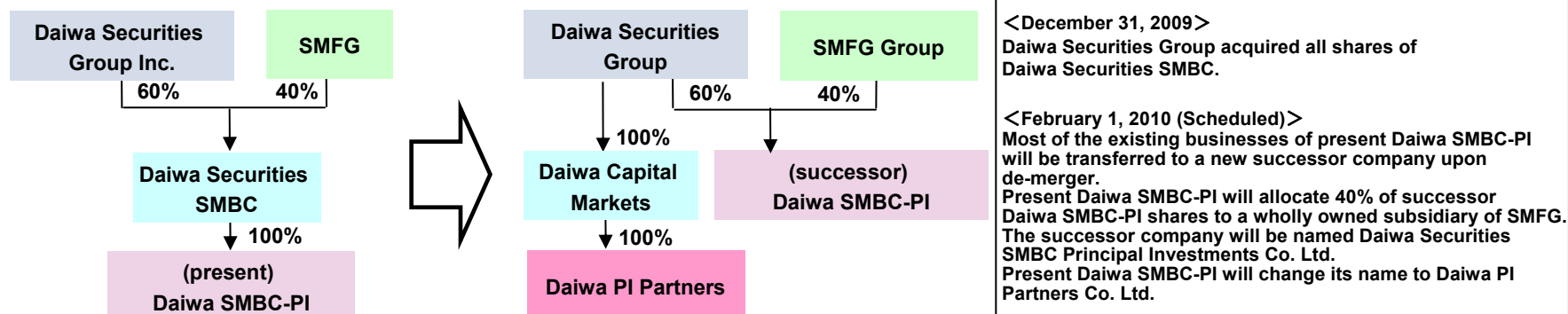
Daiwa Securities Group Inc. and Daiwa Capital Markets agree to transfer all shares of DAC from DSGI to Daiwa Capital Markets.

### 2. Purpose of the Transfer :

Integrating DAC and its subsidiaries into the international business franchises of Daiwa Capital Markets as has been done in Europe and Asia will further strengthen the global network of Daiwa Securities Group.

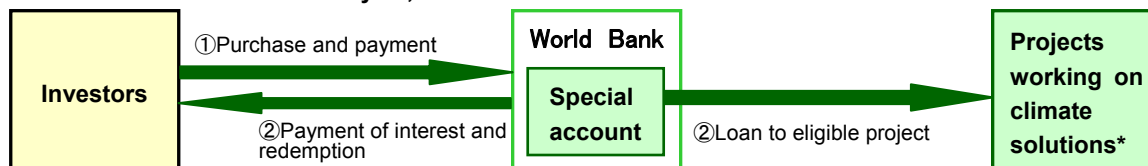
### 3. Expected Transfer Date : April 1, 2010

## Revision of the organization accompanied with the dissolution of the JV (Press Release on December 25, 2009)



## First “Green World Bank Bonds” Designed for Japanese Investors (Press Release on December 29, 2009)

Daiwa Securities Group issues first Green World Bank Bonds to Japanese investors. Green World Bank Bonds support projects in the World Bank’s member countries that meet specific criteria for low-carbon project, and provide an opportunity for investors to support climate change solutions through their investment. The issuance of Green World Bank Bonds were arranged by Daiwa Capital Markets, and distributed by Daiwa Securities. Sales started on January 20, 2010.



\* Projects working on climate solutions will be selected through the independent third party's evaluation.

# Reference



# Equity Market Share

	FY2007		FY2008				FY2009		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Market data</b>									
Average daily trading value in TSE, OSE, and NSE: (Y bil)	2,817	2,746	2,465	2,202	1,825	1,395	1,671	1,469	1,388
Share of individual investors: (%)	17.9	15.3	18.1	15.2	18.3	19.8	24.0	22.5	19.1
<b>Market share in Tokyo Stock Exchange: (%)</b>									
Daiwa Securities Group (on and off floor)	6.2	5.9	6.2	6.4	8.2	8.6	7.7	7.7	8.2
Daiwa Securities (on and off floor)	0.8	0.7	0.9	0.7	0.9	0.9	1.0	1.0	0.9
Daiwa Capital Markets									
(on and off floor)	5.3	5.2	5.3	5.8	7.3	7.8	6.8	6.6	7.3
(out of hours and off floor)	12.6	9.6	11.7	9.9	13.5	14.9	15.0	10.7	12.6
<b>Share of Daiwa Securities (retail) among individual investor transactions at TSE, OSE, and NSE: (%)</b>									
Daiwa Securities / TSE, OSE, NSE	4.5	4.2	4.6	4.2	4.5	4.1	4.7	4.8	4.6
<b>Daiwa Securities equity commission rate: (bp)</b>									
Commission rate*	37	36	36	36	40	40	39	40	42

\* Adjusted rate: Denominator excludes value that generates revenues not reported as brokerage commission.

# Wholesale - Daiwa Securities Capital Markets Unconsolidated Financial Summary

(Y mil)	FY2009		%Change vs 2Q FY09	FY2009	FY2008		FY2009	FY2008	%Change vs 1-3Q FY08	FY2008
	3Q	2Q		1Q	4Q	3Q	1-3Q	1-3Q		
Operating revenues	<b>21,746</b>	42,922	<b>-49.3%</b>	51,408	38,063	-6,997	<b>116,076</b>	56,293	<b>106.2%</b>	94,356
Commissions	<b>20,753</b>	19,798	<b>4.8%</b>	24,154	13,571	14,856	<b>64,706</b>	36,338	<b>78.1%</b>	49,910
Brokerage commission	<b>2,704</b>	2,710	<b>-0.2%</b>	3,096	2,912	3,096	<b>8,512</b>	10,150	<b>-16.1%</b>	13,063
Stock and others	<b>2,693</b>	2,676	<b>0.7%</b>	3,035	2,873	3,059	<b>8,405</b>	10,057	<b>-16.4%</b>	12,931
Underwriting commission	<b>13,130</b>	12,978	<b>1.2%</b>	16,619	5,357	7,874	<b>42,728</b>	14,516	<b>194.3%</b>	19,874
Stock and others	<b>10,677</b>	9,598	<b>11.2%</b>	13,116	2,134	5,631	<b>33,392</b>	6,895	<b>384.3%</b>	9,029
Bond and others	<b>2,443</b>	3,252	<b>-24.9%</b>	3,405	3,107	2,120	<b>9,100</b>	7,438	<b>22.4%</b>	10,545
Distribution commission	<b>248</b>	88	<b>180.1%</b>	30	64	73	<b>367</b>	260	<b>41.2%</b>	324
Other commissions (M&A and others)	<b>4,669</b>	4,019	<b>16.2%</b>	4,408	5,237	3,812	<b>13,097</b>	11,410	<b>14.8%</b>	16,648
Net gain/loss on trading	<b>-6,947</b>	15,451	—	18,648	15,223	-35,315	<b>27,152</b>	-25,906	—	-10,682
Equity	<b>-5,008</b>	-554	—	11,150	7,881	-50,022	<b>5,587</b>	-42,396	—	-34,515
Bond and forex	<b>-1,938</b>	16,005	—	7,497	7,342	14,706	<b>21,564</b>	16,490	<b>30.8%</b>	23,833
Interest and dividend income	<b>7,940</b>	7,673	<b>3.5%</b>	8,604	9,268	13,461	<b>24,217</b>	45,860	<b>-47.2%</b>	55,129
Interest expenses	<b>6,926</b>	6,911	<b>0.2%</b>	8,611	9,622	13,811	<b>22,449</b>	43,516	<b>-48.4%</b>	53,139
Net operating revenues	<b>14,819</b>	36,011	<b>-58.8%</b>	42,796	28,441	-20,809	<b>93,626</b>	12,776	<b>632.8%</b>	41,217
SG&A	<b>40,567</b>	36,675	<b>10.6%</b>	36,490	30,367	28,496	<b>113,733</b>	92,630	<b>22.8%</b>	122,997
Ordinary income	<b>-25,045</b>	-313	—	7,042	-1,225	-49,859	<b>-18,315</b>	-74,674	—	-75,900
Net income	<b>-25,045</b>	-16,701	—	5,377	-10,428	-40,605	<b>-36,369</b>	-59,320	—	-69,748
Capital adequacy ratio	<b>409.6%</b>	380.7%		384.9%	343.9%	374.1%	<b>409.6%</b>	374.1%		343.9%

## Range and assumption of VaR

- Confidence level: 99% (one-side test)
- Holding period: 1 day
- Adjusted for price correlation between products

## Daiwa Securities Group (Consolidated)

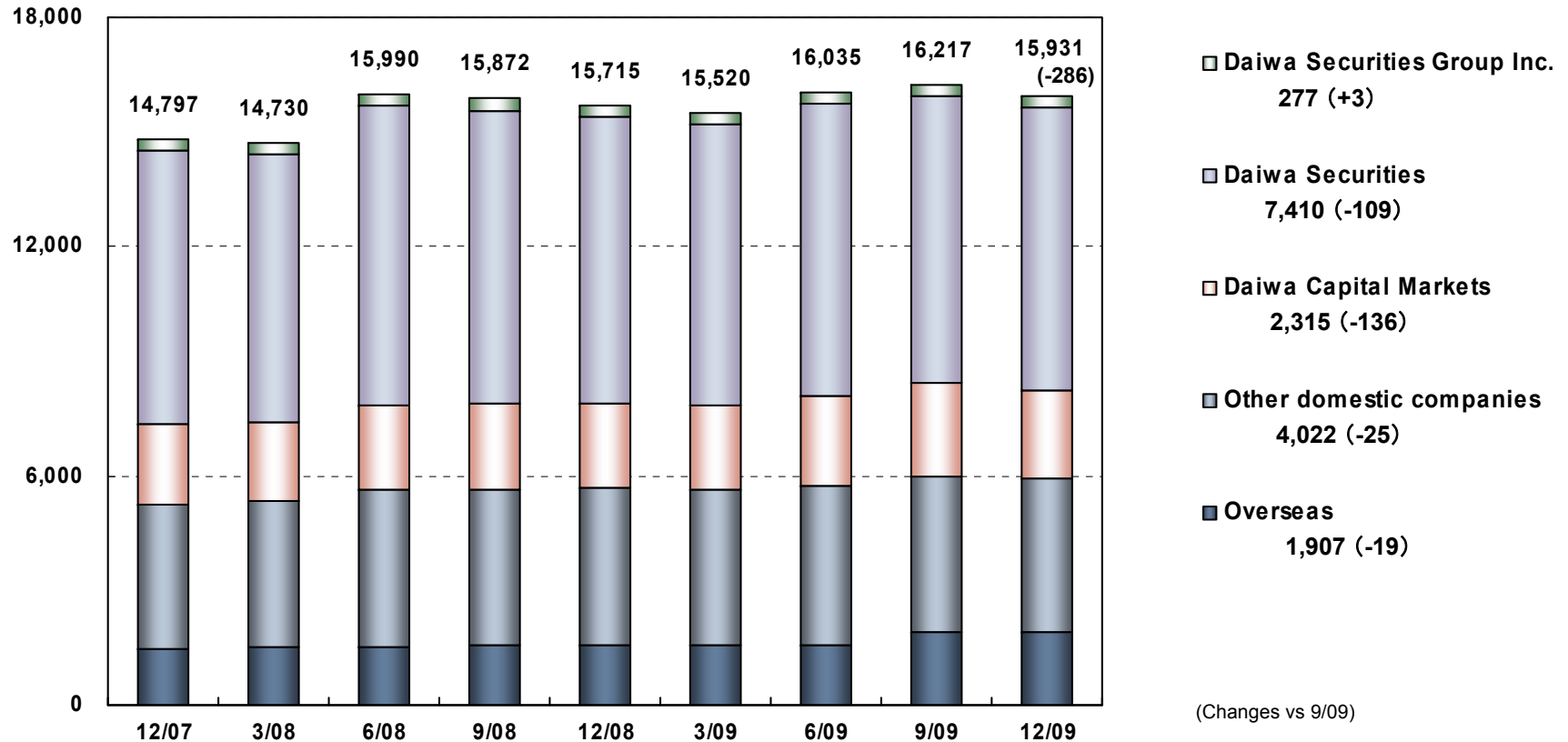
(Y bil)		12/07	3/08	6/08	9/08	12/08	3/09	6/09	9/09	12/09
VaR (Month end)		2.78	2.72	3.16	2.65	1.83	3.89	1.77	2.81	2.99
Quarterly	High	3.89	3.01	4.56	2.75	9.95	7.99	4.08	3.71	5.13
	Low	2.02	1.71	2.09	1.30	1.41	1.39	1.77	1.62	2.53
	Average	2.90	2.32	2.95	2.10	3.16	3.18	2.89	2.44	3.64

(By risk factors)

Equity	1.65	1.57	1.44	0.59	0.67	0.89	0.89	0.95	0.78
Interest	1.93	1.78	3.73	2.87	1.29	2.75	1.24	0.86	2.36
Currency	1.48	1.61	1.03	1.39	0.75	2.88	1.28	2.57	1.71
Commodity	0.00	0.04	0.02	0.00	0.01	0.24	0.01	0.01	0.00

# Number of Group Employees

(# of employees)



- Total figure is the sum of consolidated group companies and Daiwa SB Investments.
- Figures for Daiwa Securities include Financial Advisers (FA).
- Figures for Daiwa Capital Markets include employees of Daiwa Securities SMBC Principal Investments.

## Contact

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