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Daiwa Securities Group

3Q FY2017 Earnings Announcement

February 7, 2018

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 condition 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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Highlights (1Q-3Q/FY2017)

Net operating revenues and Ordinary income increased YoY.

Consolidated earnings results	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY2016	FY2017 3Q	% Change vs 2Q/FY2017
Net operating revenues	Y374.4 bil	+6.6%	Y134.9 bil	+3.1%
Ordinary income	Y112.1 bil	+10.8%	Y43.2 bil	-1.4%
Profit attributable to owners of parent	Y73.9 bil	-9.4%	Y22.6 bil	-28.9%

- Brokerage commission and distribution commission increased reflecting strong domestic and overseas stock market. Also underwriting commission grew by managing large PO/IPO deals.
- Profit attributable to owners of parent decreased as provision for loss on litigation (Y9.5 bil) was posted in 3Q FY2017.

【Retail Division】

- Trading value of foreign equities doubled YoY by capturing the strong U.S. stock market trend.
- Contract AUM for wrap account service reached a record high (Y1,944.5 bil) by expanding product line up and reflecting rising market.
- Stock investment trusts sales kept a high level, as funds investing mainly in IoT or robot related stocks saw strong sales.

【Wholesale Division】

- Acted as a global coordinator for several large deals including JAPAN POST HOLDINGS 2nd PO and global IPO of SG Holdings Co., Ltd..
- Retained 1st place on primary and secondary equity offerings, IPO, and municipal bonds league table.
- In addition to managing a number of M&A deals including cross-border, Sagent and Signal Hill, which have become consolidated company, contributed to increase in revenues.

Summary (3Q/FY2017)

3Q FY2017 Net operating revenues: Y134.9 bil (+3.1% QoQ)

- Revenue in Retail Division expanded due to increase in equity trading volume and stock investment trust sales reflecting strong domestic and overseas equity market.
- For Wholesale Division, Global Investment Banking maintained strong performance and equity revenues in Global Markets grew from increased client flow.

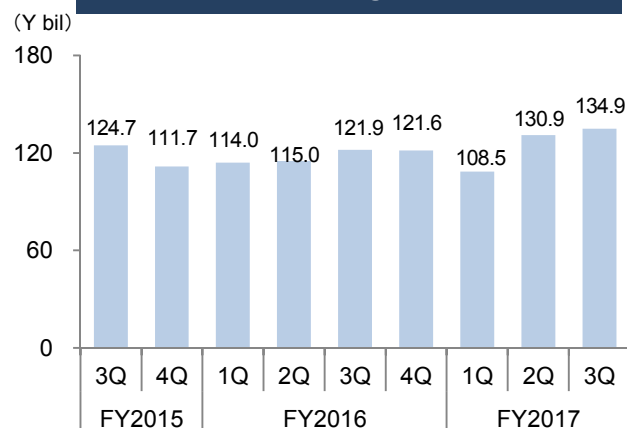
3Q FY2017 Ordinary income: Y43.2 bil (-1.4% QoQ)

- SG&A rose to Y94.7 bil (+4.2% QoQ) as bonus linked to earnings increased.
- It remained at a high level, even though ordinary income slightly dropped from the 2nd quarter in which there was a capital gain by an exit of the investment in Investment Division.

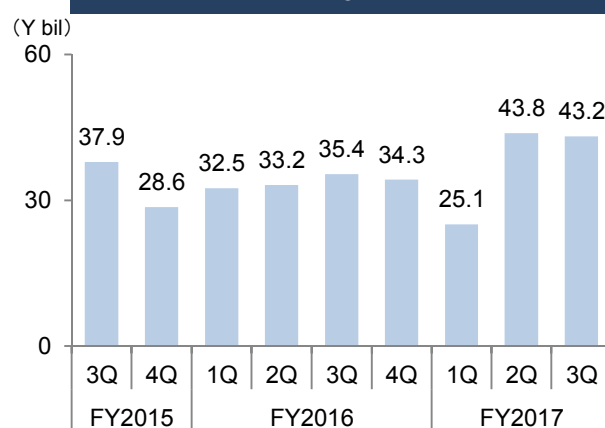
3Q FY2017 Profit attributable to owners of parent company: Y22.6 bil (-28.9% QoQ)

- Profit attributable to owners of parent decreased as provision for loss on litigation (Y9.5 bil) was posted in 3Q FY2017.
- Annualized ROE: 7.1%, BPS: Y780.71

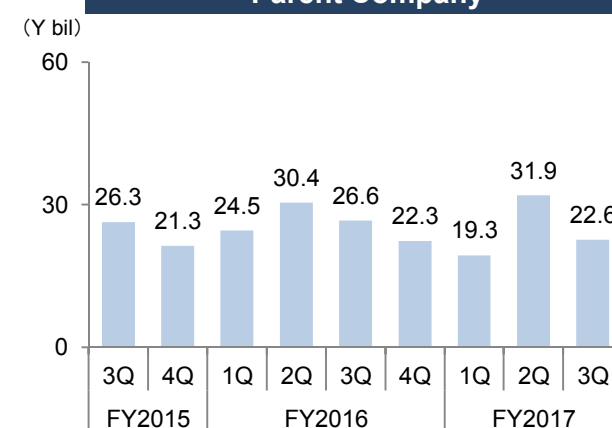
Net Operating Revenues



Ordinary Income



Profit Attributable to Owners of Parent Company



Financial Summary

(Y mil)	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016 1Q-3Q	FY2017 1Q-3Q	% Change vs 1Q-3QFY16	FY2016
	3Q	4Q	1Q	2Q	3Q						
Operating revenues	153,198	166,322	159,652	176,611	190,875	8.1%	24.6%	450,175	527,140	17.1%	616,497
Net operating revenues	121,985	121,618	108,543	130,923	134,997	3.1%	10.7%	351,131	374,464	6.6%	472,750
SG&A	90,376	91,508	87,121	90,924	94,725	4.2%	4.8%	262,179	272,771	4.0%	353,687
Ordinary income	35,434	34,394	25,153	43,829	43,216	-1.4%	22.0%	101,229	112,199	10.8%	135,623
Profit (loss) attributable to owners of parent	26,693	22,358	19,395	31,905	22,697	-28.9%	-15.0%	81,708	73,998	-9.4%	104,067
Total assets	20,523,661	19,827,296	19,815,830	20,381,308	21,925,865			20,523,661	21,925,865		19,827,296
Net assets	1,347,052	1,343,433	1,340,130	1,385,594	1,375,632			1,347,052	1,375,632		1,343,433
Shareholders' equity*	1,254,655	1,250,890	1,248,272	1,288,915	1,278,643			1,254,655	1,278,643		1,250,890
EPS (Y)	15.76	13.26	11.63	19.12	13.73			48.26	44.49		61.53
BPS (Y)	740.60	745.80	748.15	772.32	780.71			740.60	780.71		745.80
ROE (Annualized)	8.7%	7.1%	6.2%	10.1%	7.1%			8.8%	7.8%		8.4%

* Shareholders' equity = Owners' equity + Accumulated other comprehensive income

Consolidated Segment Summary

(Y mil)

Net operating revenues	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016 1Q-3Q	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q						
Retail	49,663	49,654	48,833	51,269	59,570	16.2%	20.0%	138,397	159,673	15.4%	188,051
Wholesale	46,427	47,113	35,280	43,051	45,726	6.2%	-1.5%	135,761	124,057	-8.6%	182,875
<i>Global Markets</i>	36,819	33,645	27,356	30,090	32,633	8.5%	-11.4%	109,214	90,080	-17.5%	142,859
<i>Global Investment Banking</i>	9,608	13,468	7,923	12,960	13,092	1.0%	36.3%	26,547	33,976	28.0%	40,015
Asset Management	11,586	11,798	12,011	12,141	12,650	4.2%	9.2%	34,639	36,802	6.2%	46,438
Investments	2,570	2,484	1,801	13,914	6,326	-54.5%	146.2%	13,252	22,042	66.3%	15,736
Other/Adjustments	11,737	10,567	10,618	10,547	10,722	-	-	29,080	31,887	-	39,647
Consolidated total	121,985	121,618	108,543	130,923	134,997	3.1%	10.7%	351,131	374,464	6.6%	472,750

Ordinary income	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016 1Q-3Q	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q						
Retail	9,512	8,700	10,391	10,626	18,002	69.4%	89.2%	20,675	39,019	88.7%	29,375
Wholesale	16,906	16,429	6,438	12,892	12,789	-0.8%	-24.4%	49,008	32,120	-34.5%	65,437
<i>Global Markets</i>	14,164	10,759	5,364	7,877	9,817	24.6%	-30.7%	42,836	23,059	-46.2%	53,595
<i>Global Investment Banking</i>	2,492	5,607	748	4,805	2,794	-41.8%	12.1%	5,761	8,349	44.9%	11,369
Asset Management	6,522	6,627	7,200	7,137	7,489	4.9%	14.8%	19,944	21,827	9.4%	26,572
Investments	1,891	1,553	1,417	13,175	5,529	-58.0%	192.4%	11,488	20,121	75.1%	13,041
Other/Adjustments	601	1,084	-294	-2	-594	-	-	112	-890	-	1,196
Consolidated total	35,434	34,394	25,153	43,829	43,216	-1.4%	22.0%	101,229	112,199	10.8%	135,623

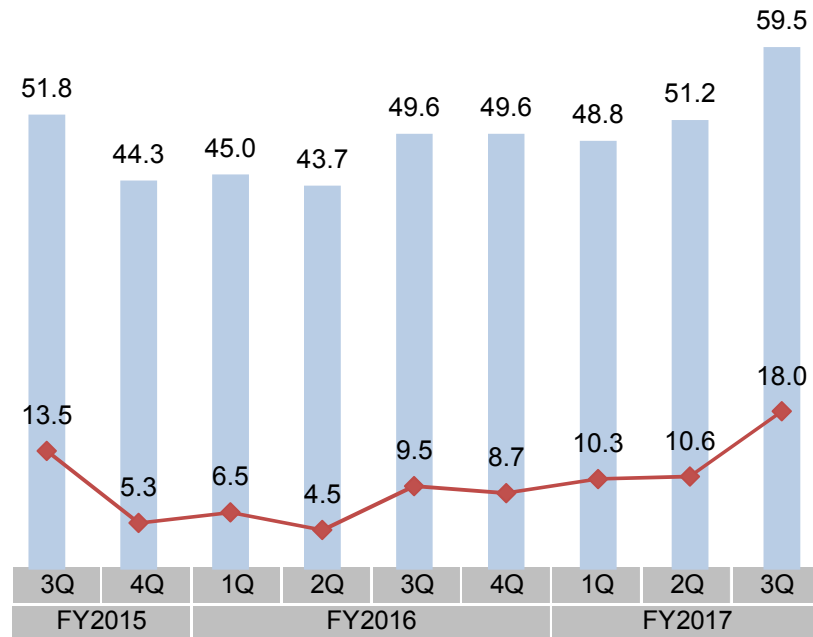
※Figures calculated based on managerial accounting of each Group companies. Equity in earnings of affiliates is included in each respective segment.

Consolidated Segment Summary

■ Net operating revenues ◆ Ordinary income

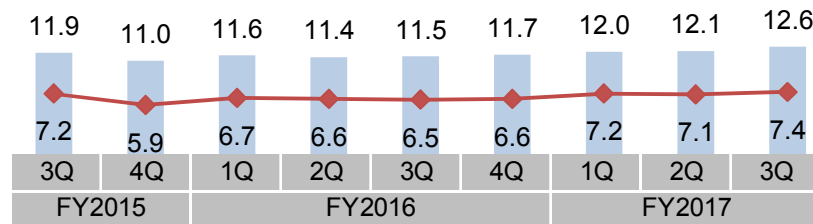
Retail Division

(Y bil)



Asset Management Division

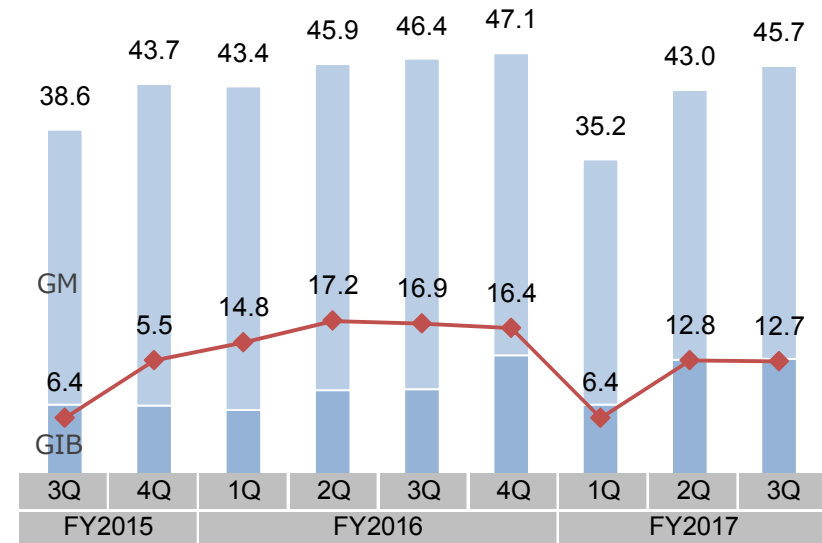
(Y bil)



Wholesale Division

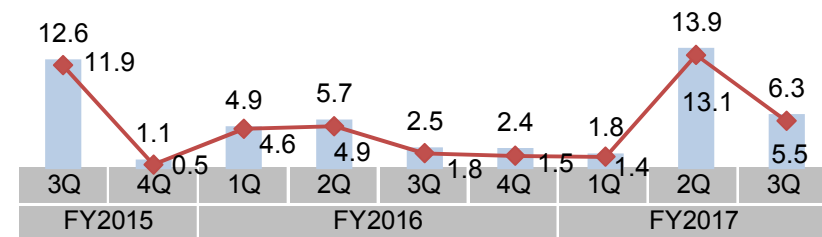
(Y bil)

■ Global Markets (Net operating revenues)
■ Global Investment Banking (Net operating revenues)



Investment Division

(Y bil)



Consolidated B/S Summary

Consolidated Balance Sheet (Dec. 31, 2017)

(Y bil)

Current assets	21,283	(2,024)
Cash and deposits	4,669	(840)
Short-term investment securities	1,030	(-712)
Trading products	7,034	(488)
Trading securities and other	4,425	(572)
<i>Stocks, Convertible bonds</i>	469	(108)
<i>Bonds</i>	3,205	(641)
<i>Beneficiary certificates</i>	256	(78)
<i>CD/CP and others</i>	494	(-255)
Derivatives	2,608	(-84)
Operational investment securities (after allowance for possible investment losses)	152	(38)
Daiwa PI Partners + Daiwa Securities SMBC PI	144	(37)
Daiwa Corporate Investment	8	(0)
Loans secured by securities	6,578	(1,272)
Non-current assets	642	(74)
Property, plant and equipment	123	(-1)
Intangible assets	103	(13)
Investments and other assets	415	(62)
Listed stocks	171	(25)
Unlisted stocks	17	(0)
Affiliated companies stocks, etc.	128	(0)
Other	97	(37)
Total Assets	21,925	(2,098)

Current liabilities	17,847	(1,839)
Trading products	4,935	(276)
Trading securities and other	2,657	(396)
<i>Stocks, convertible bonds</i>	298	(45)
<i>Bonds</i>	2,292	(295)
<i>CD/CP and others</i>	67	(56)
Derivatives	2,277	(-119)
Loans payable secured by securities	6,376	(357)
Deposits for banking business	3,555	(569)
Short-term loans payable	1,343	(424)
Current portion of bonds	290	(12)
Non-current liabilities	2,698	(226)
Bonds payable	1,267	(48)
Long-term loans payable	1,335	(156)
Total liabilities	20,550	(2,066)
Net assets	1,375	(32)
Owners' equity	1,187	(3)
Accumulated other comprehensive income	91	(24)
Non-controlling interests	88	(4)
Total liabilities and net assets	21,925	(2,098)

Total assets: Y21.92 tri

Net assets: Y1.37 tri

Shareholders' equity:** Y1.27 tri

- 88.1% of total assets have high liquidity*.

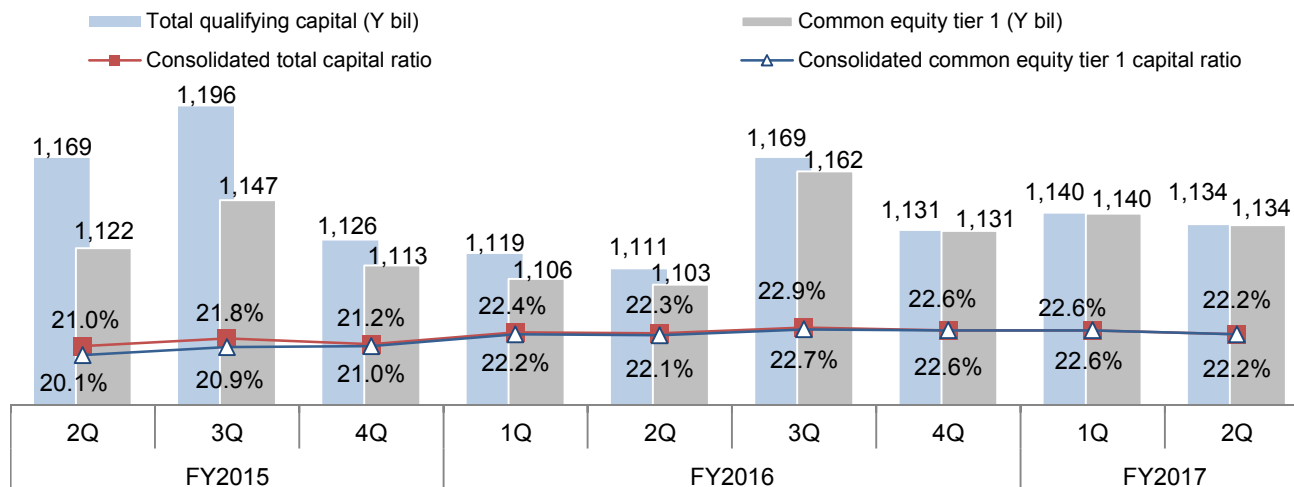
* Cash and deposits + Short-term investment securities + Trading products + Loans secured by securities

- Shareholders' equity** increased by Y27.7 bil from March 31, 2017.

** Shareholders' equity = Owners' equity + Accumulated other comprehensive income

※Figures in parentheses indicate changes from March 31, 2017

Consolidated Capital Adequacy Ratio



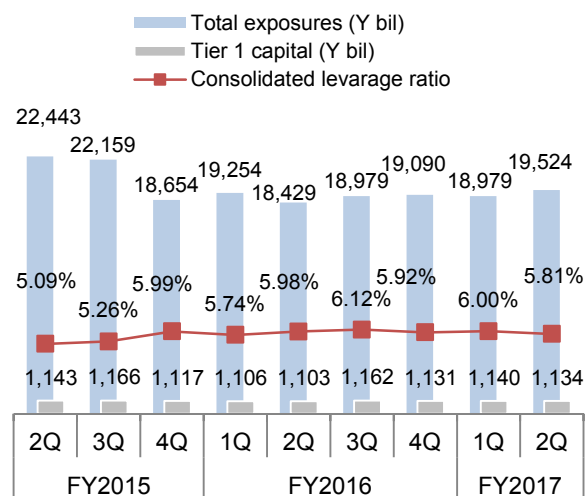
【Regulatory Capital (Basel III)】

(As at September 30, 2017)

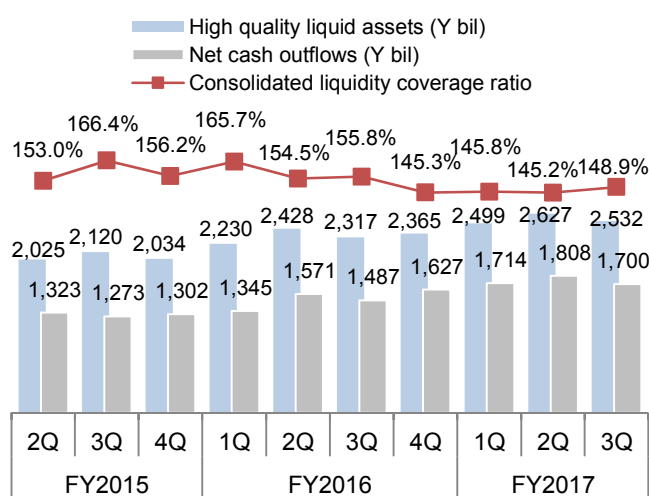
- Consolidated Total Capital Ratio : 22.2%
- Consolidated Tier1 Capital Ratio : 22.2%
- Consolidated Common Equity Tier 1 Capital Ratio : 22.2%
- Consolidated Leverage Ratio : 5.81%

※ Figures are as at the end of each quarter.

Consolidated Leverage Ratio



Consolidated Liquidity Coverage Ratio



【Regulatory Liquidity (Basel III)】

(Daily average Oct. — Dec. 2017)

- Consolidated Liquidity Coverage Ratio : 148.9%

※Before 3Q FY2016: end of month average

Consolidated P/L Summary



(Y mil)	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016		% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Operating revenues	153,198	166,322	159,652	176,611	190,875	8.1%	24.6%	450,175	527,140	17.1%	616,497
Commission received	70,752	76,515	69,746	78,730	85,531	8.6%	20.9%	196,819	234,008	18.9%	273,335
Net trading income	34,025	28,330	24,068	23,079	30,446	31.9%	-10.5%	99,790	77,594	-22.2%	128,120
Net gain/loss on private equity and other securities	2,423	2,006	1,746	13,862	6,217	-55.2%	156.5%	12,839	21,826	70.0%	14,846
Financial revenue	34,808	39,618	43,835	48,096	47,898	-0.4%	37.6%	103,623	139,831	34.9%	143,241
Other operating revenue	11,188	19,850	20,255	12,841	20,782	61.8%	85.7%	37,102	53,879	45.2%	56,953
Financial expenses	20,777	30,612	39,566	34,480	30,441	-11.7%	46.5%	68,112	104,488	53.4%	98,725
Other operating expenses	10,434	14,090	11,542	11,207	25,437	127.0%	143.8%	30,931	48,187	55.8%	45,022
Net operating revenues	121,985	121,618	108,543	130,923	134,997	3.1%	10.7%	351,131	374,464	6.6%	472,750
SG&A	90,376	91,508	87,121	90,924	94,725	4.2%	4.8%	262,179	272,771	4.0%	353,687
Operating income/loss	31,609	30,110	21,422	39,998	40,271	0.7%	27.4%	88,952	101,692	14.3%	119,062
Non-operating income/loss	3,825	4,284	3,730	3,831	2,944	-23.1%	-23.0%	12,277	10,506	-14.4%	16,561
Ordinary income/loss	35,434	34,394	25,153	43,829	43,216	-1.4%	22.0%	101,229	112,199	10.8%	135,623
Extraordinary income/loss	2,572	-737	2,363	2,131	-9,203	-	-	4,118	-4,708	-	3,381
Income/loss before income taxes	38,007	33,657	27,516	45,961	34,012	-26.0%	-10.5%	105,347	107,491	2.0%	139,004
Total income taxes	11,291	11,156	8,106	9,392	11,277	20.1%	-0.1%	23,569	28,776	22.1%	34,726
Profit (loss) attributable to owners of parent	26,693	22,358	19,395	31,905	22,697	-28.9%	-15.0%	81,708	73,998	-9.4%	104,067

■ Commission received increased (+8.6% QoQ).

■ Brokerage commission* rose to Y21.7 bil (+30.4% QoQ) as stock trading volume increased.

■ Even though equity underwriting was solid, it decreased QoQ resulting in a decline in underwriting commission* to Y9.8 bil (-24.0% QoQ).

■ Distribution commission* rose to Y13.2 bil (+22.6% QoQ) led by increase in stock investment trusts sales.

* Breakdown of total commission received (See p.23)

■ Net trading income** increased to Y30.4 bil (+31.9% QoQ) as equity trading expanded and FICC trading recovered.

** Managerial accounting basis (See p.17)

■ Net gain on private equity secured Y6.2 bil (-55.2% QoQ).

■ Extraordinary loss of Y9.5 bil was posted as provision for loss on litigation in 3Q FY2017.

Breakdown of SG&A

(Y mil)	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016		% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
SG&A	90,376	91,508	87,121	90,924	94,725	4.2%	4.8%	262,179	272,771	4.0%	353,687
Trading related expenses	17,505	18,884	16,638	18,658	18,488	-0.9%	5.6%	50,870	53,785	5.7%	69,754
Personnel expenses	44,838	44,395	43,215	44,645	48,387	8.4%	7.9%	131,434	136,249	3.7%	175,830
Real estate expenses	8,833	9,150	8,818	8,847	9,080	2.6%	2.8%	26,116	26,746	2.4%	35,267
Office cost	7,843	6,963	6,450	6,494	6,728	3.6%	-14.2%	20,083	19,673	-2.0%	27,047
Depreciation	5,848	5,955	6,117	6,009	6,119	1.8%	4.6%	17,450	18,246	4.6%	23,406
Taxes and dues	2,555	2,948	2,754	2,736	2,635	-3.7%	3.1%	7,582	8,125	7.2%	10,530
Other	2,952	3,210	3,126	3,533	3,284	-7.0%	11.3%	8,641	9,945	15.1%	11,852

■ Trading related expenses dropped (-0.9% QoQ) due to a decrease in advertising expenses for promotions.

■ Personnel expenses rose (+8.4% QoQ) as bonus linked to earnings increased and personnel expenses for two M&A advisory firms were newly recognized due to consolidation from 3Q FY2017.

■ Real estate expenses, office cost and depreciation increased (+2.6%, +3.6%, +1.8% QoQ) due to an increase mainly in system related expenses.

Consolidated Cost Structure

(Y bil)	FY2015			FY2016					FY2017		
	3Q	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q	1Q	2Q	3Q
Total SG&A	89.3	88.3	364.5	86.0	85.7	90.3	91.5	353.6	87.1	90.9	94.7
Variable costs	35.8	35.9	150.5	34.1	35.1	36.6	38.0	143.9	33.6	37.5	39.8
Trading related expenses	17.8	17.3	72.3	16.3	16.9	17.5	18.8	69.7	16.6	18.6	18.4
<i>Advertising expenses</i>	2.0	2.4	8.1	1.9	2.4	3.0	3.7	11.1	2.1	3.4	3.1
Bonus and others	12.7	12.3	55.5	12.2	13.0	13.6	13.3	52.3	11.2	12.7	15.5
Overtime, part-time	2.3	2.1	9.1	2.3	2.2	2.3	2.2	9.1	2.3	2.3	2.4
Fixed costs	53.5	52.3	213.9	51.8	50.5	53.7	53.4	209.6	53.4	53.3	54.8
Personnel expenses	29.2	28.9	117.3	28.4	27.8	28.7	28.5	113.6	29.3	29.3	30.2
Real estate expenses	9.2	9.1	37.3	8.7	8.5	8.8	9.1	35.2	8.8	8.8	9.0
Depreciation	6.0	5.9	23.8	5.8	5.7	5.8	5.9	23.4	6.1	6.0	6.1
Office expenses	6.6	6.3	25.4	5.8	5.7	7.5	6.6	25.7	6.1	6.1	6.4
Taxes and dues	2.0	1.7	8.8	2.5	2.4	2.5	2.9	10.5	2.7	2.7	2.6

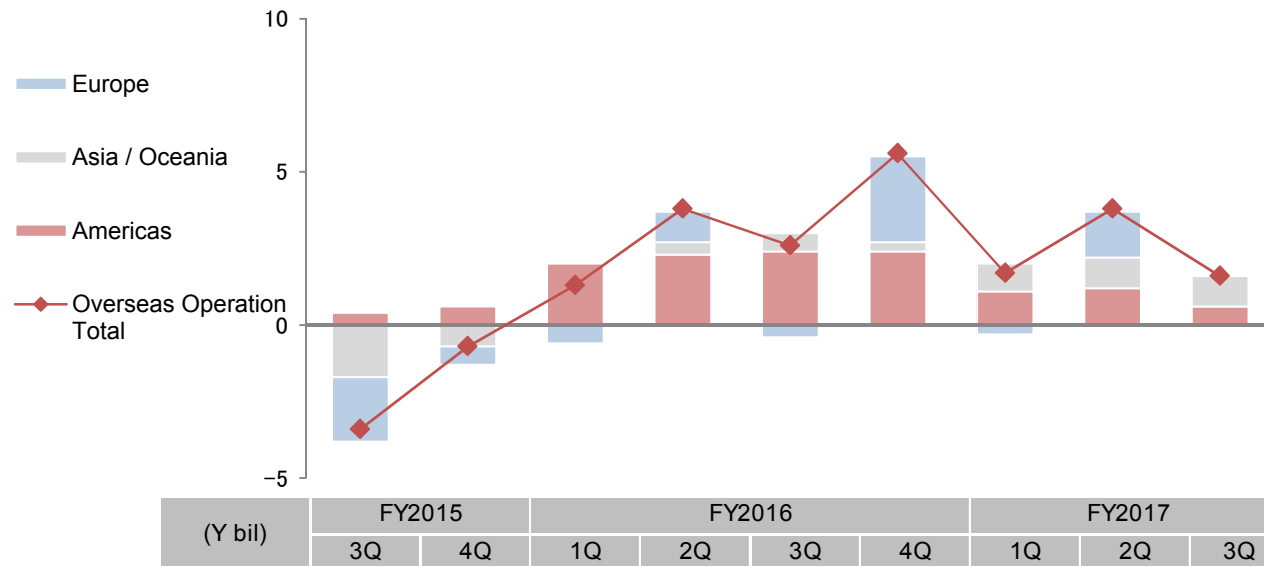
Consolidated Overseas Operation

(Y mil)	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016 1Q-3Q	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q						
Overseas OperationTotal	2,606	5,691	1,700	3,810	1,718	-54.9%	-34.1%	7,801	7,229	-7.3%	13,493
Europe	-486	2,844	-338	1,577	-16	-	-	-85	1,222	-	2,759
Asia / Oceania	677	378	909	1,024	1,047	2.3%	54.5%	1,101	2,981	170.6%	1,480
Americas	2,414	2,468	1,129	1,208	687	-43.1%	-71.5%	6,785	3,025	-55.4%	9,254

Overseas operation stayed in the black for 7 consecutive quarters.

- In Europe, equity performed strong, while investment banking business including DCA (Daiwa Corporate Advisory) and fixed income trading slowed down.
- In Asia / Oceania, ordinary income in wealth management business and equity increased.
- In Americas, equity trading was solid due to an expansion of U.S. equity trading volume, however ordinary income declined by amortization of goodwill for two M&A advisory firms.

Ordinary Income

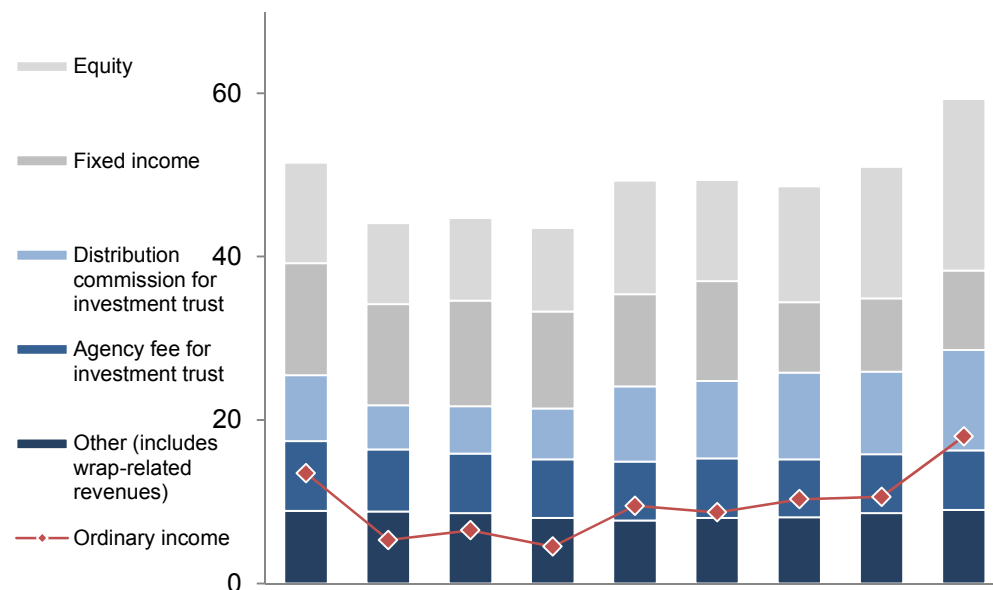


Retail Division

(Y mil)	FY2017 3Q	% Change vs 2Q/FY17	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16
Net operating revenues	59,570	16.2%	159,673	15.4%
Ordinary income	18,002	69.4%	39,019	88.7%

- Equity revenue increased +29.9% QoQ due to an expansion of both domestic and foreign equity trading volume.
- Fixed income revenue rose +7.6% QoQ as sales amount of structured bonds expanded.
- Distribution commission for investment trust rose +22.4% QoQ due to an increase in stock investment trust sales. Agency fee for investment trust linked to asset under custody increased +1.0% QoQ owing to market rise.
- Other revenues increased +5.0% QoQ from the rise in investment advisory and account management fees, related to wrap business.

Net Operating Revenues and Ordinary Income



(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	12.3	9.9	10.1	10.2	13.9	12.4	14.2	16.1	21.0
Fixed income	13.7	12.4	12.9	11.9	11.3	12.2	8.6	9.0	9.7
Distribution commission for investment trust	8.1	5.4	5.8	6.2	9.2	9.5	10.6	10.1	12.3
Agency fee for investment trust	8.5	7.6	7.3	7.2	7.2	7.3	7.1	7.2	7.3
Other (includes wrap-related revenues)	8.9	8.8	8.6	8.0	7.7	8.0	8.1	8.6	9.0
Net operating revenues	51.8	44.3	45.0	43.7	49.6	49.6	48.8	51.2	59.5
Ordinary income	13.5	5.3	6.5	4.5	9.5	8.7	10.3	10.6	18.0

【Wrap Account Service】

- Contract AUM reached a record high of Y1,944.5 bil* due to the stable increase of sales contract amount by expanding product line up since October 2016 and value appreciation by strong market.

*Includes a part of contract AUM of Wholesale Division

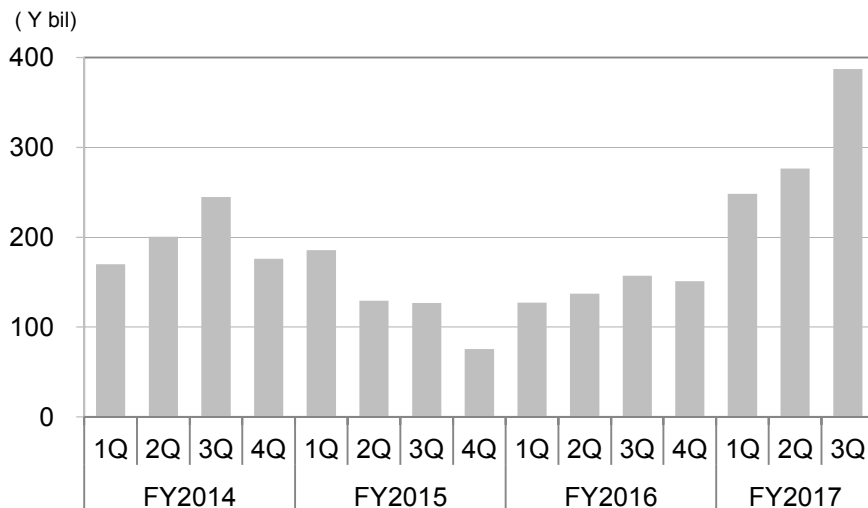
【Stock Investment Trusts】

- Funds investing mainly in U.S. mid cap growth stocks, Indian stocks, and IoT or robot related stocks saw strong sales.

【Foreign Equities】

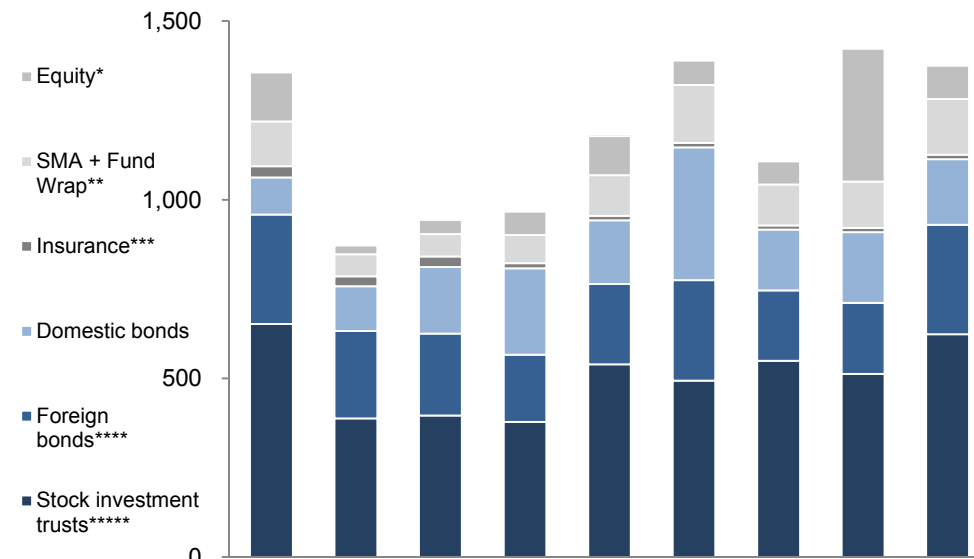
- Newly trading accounts and net purchase of foreign equities increased by capturing investor's continued appetite and proactively delivering market information for customers in the midst of major U.S. stock price index rise. Trading value in foreign equities reached a record high of Y387.2 bil.

Foreign Equities Trading Value



※Includes foreign stocks listed in TSE

Sales and Distribution Amount by Product



(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity*	136.9	24.8	39.2	65.8	109.5	68.7	64.8	371.8	93.2
SMA + Fund Wrap**	125.9	61.5	62.9	78.1	113.6	161.5	114.2	130.0	155.6
Insurance***	30.8	27.9	29.6	14.6	12.4	12.7	11.4	11.4	12.3
Domestic bonds	103.8	125.2	186.2	241.8	178.6	372.3	170.9	197.8	183.9
Foreign bonds****	306.5	244.9	229.2	187.8	224.6	280.5	196.4	198.9	306.4
Stock investment trusts*****	653.3	388.4	396.8	379.3	540.2	494.9	550.3	513.7	624.1

*Distribution amount from equity underwriting

**Total contract amount of Daiwa fund wrap and Daiwa SMA

***Insurance include pension insurance, life insurance and business insurance

****Foreign bonds include yen-denominated foreign bonds

*****Stock investment trusts include switching transactions between funds

Wholesale Division Global Markets

(Y mil)	FY2017 3Q	% Change vs 2Q/FY17	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16
Net operating revenues	32,633	8.5%	90,080	-17.5%
Ordinary income	9,817	24.6%	23,059	-46.2%

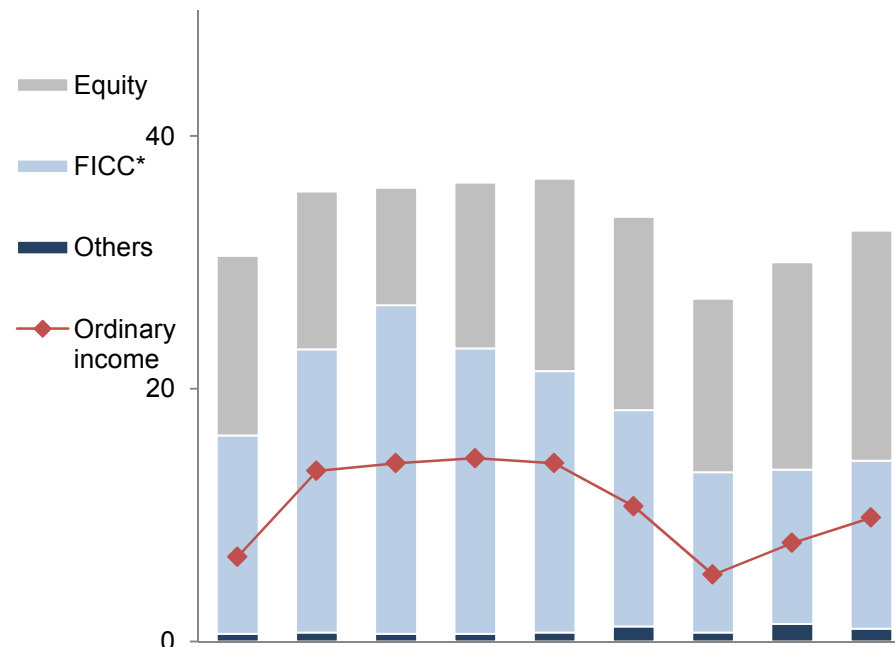
【Equity】

- Equity revenues rose +10.6% QoQ due to an increase in client flow of both domestic and foreign equities against the backdrop of strong global markets.

【FICC*】

- Unfavorable market situation continued as a long-term interest rate shifts within the narrow range. FICC revenues rose +9.4% QoQ due to an increase in the sales of structured bonds. JGB also recovered QoQ, but client flow declined in credit products.

Net Operating Revenues and Ordinary Income



(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	14.2	12.5	9.3	13.1	15.2	15.3	13.7	16.4	18.2
FICC*	15.7	22.4	26.0	22.6	20.7	17.1	12.7	12.2	13.3
Others	0.6	0.7	0.6	0.6	0.7	1.2	0.7	1.4	1.0
Net operating revenues	30.6	35.8	36.0	36.3	36.8	33.6	27.3	30.0	32.6
Ordinary income	6.7	13.5	14.1	14.5	14.1	10.7	5.3	7.8	9.8

*FICC: Fixed Income, Currency and Commodities

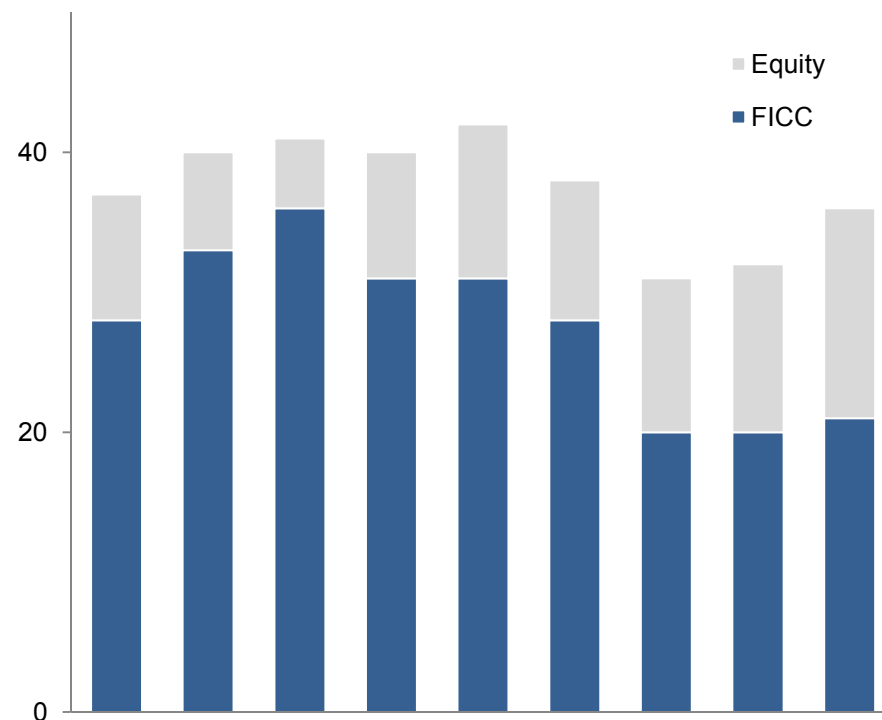
【Managerial accounting basis】

(Y bil)	FY2017 3Q	% Change vs 2Q/FY17	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16
Equity	15.0	25.0%	38.0	52.0%
FICC	21.0	5.0%	61.0	-37.8%
Total	36.0	12.5%	99.0	-19.5%

<Reference>

Financial accounting basis:
Net gain/loss on trading + Net financial income

(Y mil)	FY2017 3Q	% Change vs 2Q/FY17	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16
Equity	11,400	88.7%	25,216	67.5%
Bond and forex	19,046	11.8%	52,377	-38.2%
Net financial income	17,457	28.2%	35,342	-0.5%
Total	47,903	30.5%	112,936	-16.5%

Consolidated Trading Gain / Loss
(Managerial Accounting Basis)

(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	9	7	5	9	11	10	11	12	15
FICC	28	33	36	31	31	28	20	20	21
Total	37	40	41	40	42	38	31	32	36

Wholesale Division Global Investment Banking

(Y mil)	FY2017 3Q	% Change vs 2Q/FY17	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16
Net operating revenues	13,092	1.0%	33,976	28.0%
Ordinary income	2,794	-41.8%	8,349	44.9%

【Equity】

- Acted as a global coordinator for SG Holdings Global IPO, the largest IPO deal in FY2017.

<Selected lead managed deals>

SG Holdings Co., Ltd.

KATITAS Co., Ltd.

OPTORUN Co., Ltd.

Asahi Holdings, Inc.

Global IPO

Global IPO

IPO

PO

<Offering size>

Y127.6 bil

Y37.8 bil

Y12.1 bil

Y13.4 bil

【Debt】

- Lead managed a number of benchmark bond, and managed straight bond and subordinated bond as well.

<Selected lead managed deals>

Development Bank of Japan Inc. (5 yrs)

Sustainability Bond

<Offering size>

USD1.0 bil

TEPCO Power Grid, Incorporated (5/10 yrs)

SB

Total Y100.0 bil

JBIC (3/5/10yrs)

Benchmark Bond

Total USD4.5 bil

Mitsui Sumitomo Insurance Company, Limited (60 yrs)

Subordinated Bond

Total Y130.0 bil

【M&A】

- Managed a number of deal including domestic, overseas and cross-border. Signal Hill, which have become consolidated company since 3Q FY2017, also contributed to revenues.

<Selected deals>

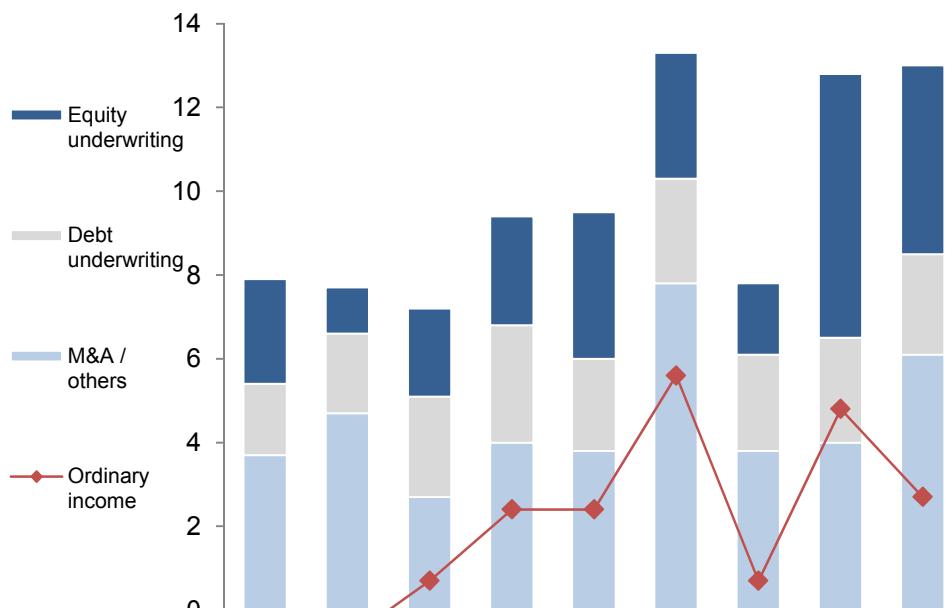
TOB by Bain Capital Private Equity, LP for ASATSU-DK INC.

Funding by Meiji Group to Chemo-Sero-Therapeutic Research Institute

Sale of CPA Global (UK) to Leonard Green & Partners, L.P. (US)

Sale of Infobase Holdings, Inc. (US) to Centre Lane Partners, LLC (US)

Net Operating Revenues and Ordinary Income



(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity underwriting	2.5	1.1	2.1	2.6	3.5	3.0	1.7	6.3	4.5
Debt underwriting	1.7	1.9	2.4	2.8	2.2	2.5	2.3	2.5	2.4
M&A / others	3.7	4.7	2.7	4.0	3.8	7.8	3.8	4.0	6.1
Net operating revenues	7.9	7.8	7.3	9.5	9.6	13.4	7.9	12.9	13.0
Ordinary income	-0.2	-0.7	0.7	2.4	2.4	5.6	0.7	4.8	2.7

Asset Management Division

(Y mil)	FY2017 3Q	% Change vs 2Q/FY17	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16
Net operating revenues	12,650	4.2%	36,802	6.2%
Ordinary income	7,489	4.9%	21,827	9.4%

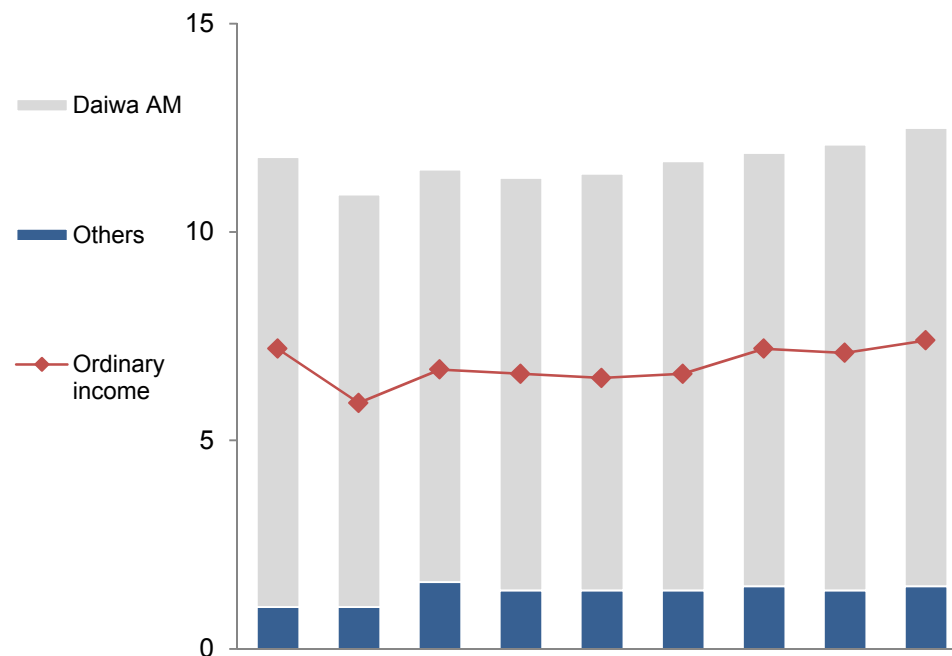
【Daiwa Asset Management】

- Revenue and income increased QoQ owing to expansion of AUM by market appreciation and net inflow of assets.

【Others】

- AUM of Daiwa Real Estate Asset Management, operator of REITs, slightly decreased by replacement of residential real estates, while its management fees increased.

Net Operating Revenues and Ordinary Income



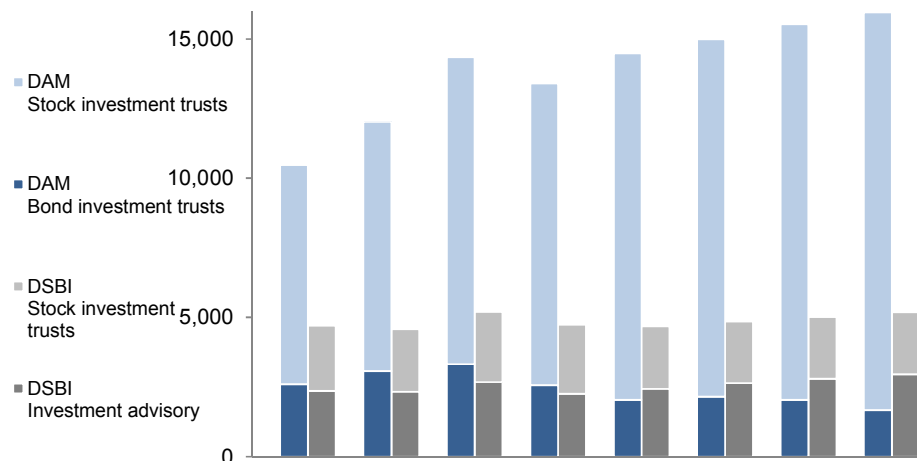
(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Daiwa AM	10.8	9.9	9.9	9.9	10.0	10.3	10.4	10.7	11.0
Others	1.0	1.0	1.6	1.4	1.4	1.4	1.5	1.4	1.5
Net operating revenues	11.9	11.0	11.6	11.4	11.5	11.7	12.0	12.1	12.6
Ordinary income	7.2	5.9	6.7	6.6	6.5	6.6	7.2	7.1	7.4

* 'Others' includes Daiwa Fund Consulting, Daiwa Real Estate Asset Management and Mi-Casa Asset Management (since 1Q FY2016).

* Equity in earnings of affiliates is included in non-operating revenues.

Asset Management Division Assets Under Management

Daiwa Asset Management and Daiwa SB Investments AUM



(Y bil)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017		
						1Q	2Q	3Q

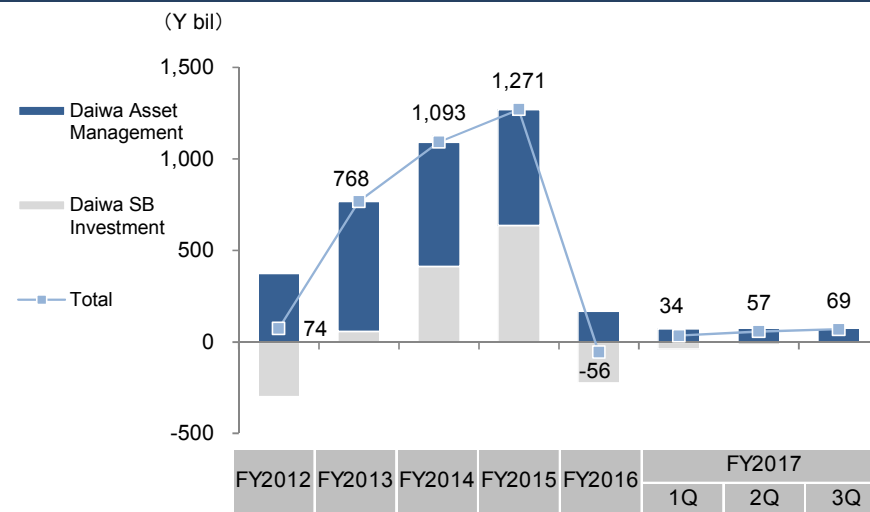
Daiwa Asset Management (DAM)

Stock investment trusts	7,875	8,958	11,032	10,840	12,454	12,832	13,491	14,298
Bond investment trusts	2,600	3,064	3,314	2,563	2,036	2,151	2,035	1,663
Total	10,476	12,023	14,346	13,403	14,491	14,983	15,526	15,962
Stock investment trust share	14.4%	15.0%	14.8%	14.5%	14.7%	14.8%	14.8%	14.4%

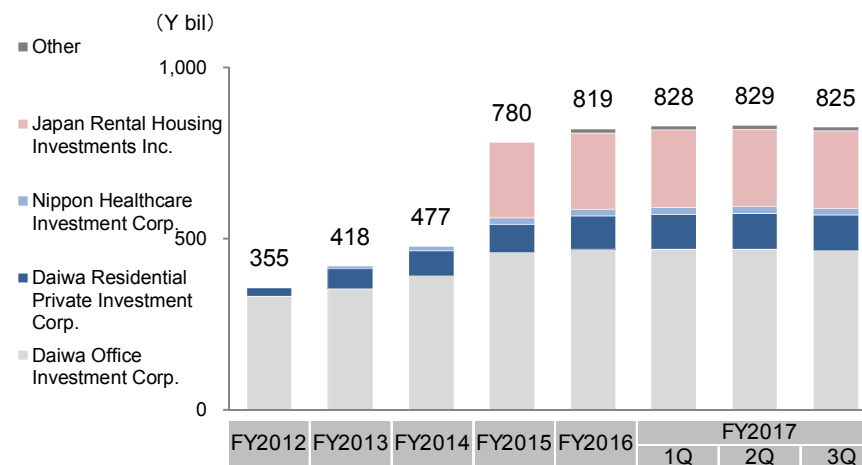
Daiwa SB Investments (DSBI)

Stock investment trusts	2,345	2,249	2,526	2,481	2,237	2,208	2,213	2,227
Investment advisory	2,356	2,327	2,671	2,249	2,435	2,637	2,793	2,955
Total	4,702	4,577	5,198	4,730	4,673	4,845	5,006	5,182
Stock investment trust share	3.2%	2.8%	2.6%	2.7%	2.3%	2.2%	2.1%	2.0%

Daiwa Asset Management and Daiwa SB Investments Net Asset Inflow (Stock Investment Trusts, excl. ETF)



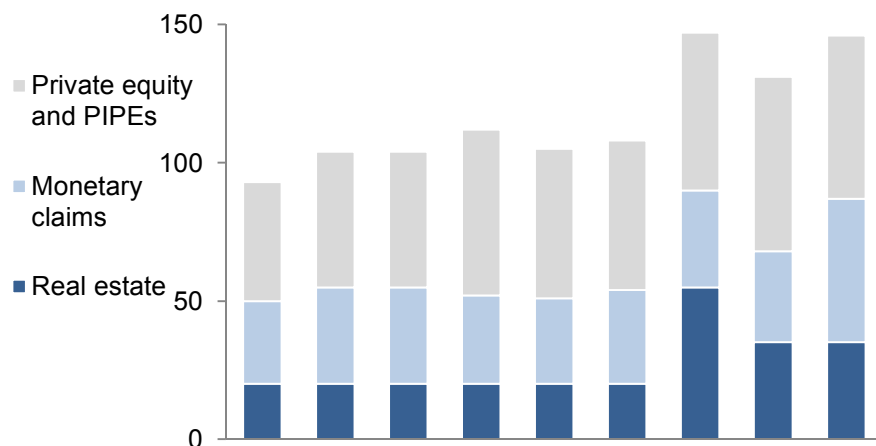
Real Estate Asset Management Business AUM



Investment Division

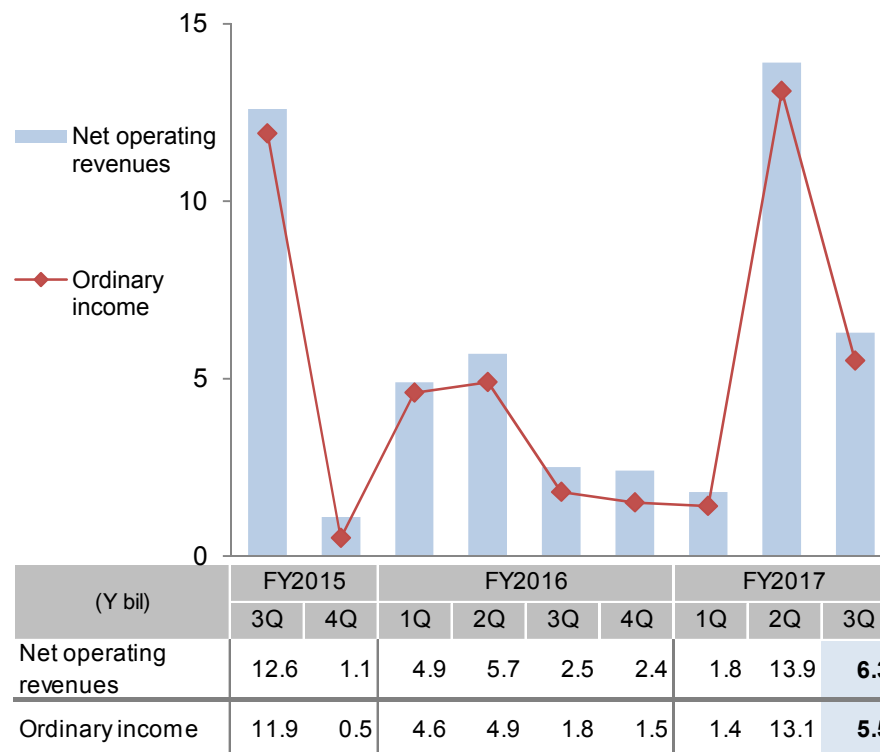
(Y mil)	FY2017 3Q	% Change vs 2Q/FY17	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16
Net operating revenues	6,326	-54.5%	22,042	66.3%
Ordinary income	5,529	-58.0%	20,121	75.1%

Principal Investment Values



※ Principal investment values are the sum of Daiwa PI Partners and Daiwa Securities SMB CPI
 ※ PIPEs: Private Investment in Public Equities
 ※ All figures are as at the end of each quarter

Net Operating Revenues and Ordinary Income



Reference

Daiwa Securities Group Inc.

Breakdown of Commission

(Y mil)	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016 1Q-3Q	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q						
Total commission	70,752	76,515	69,746	78,730	85,531	8.6%	20.9%	196,819	234,008	18.9%	273,335
Brokerage commission	17,189	16,672	16,214	16,688	21,753	30.4%	26.5%	44,275	54,655	23.4%	60,947
Underwriting commission	8,161	7,926	5,740	13,010	9,890	-24.0%	21.2%	21,802	28,642	31.4%	29,729
Distribution commission	10,020	10,909	11,143	10,803	13,247	22.6%	32.2%	23,378	35,194	50.5%	34,287
Other commission	35,379	41,007	36,648	38,228	40,640	6.3%	14.9%	107,362	115,517	7.6%	148,370
<i>Investment advisory and account management fees</i>	5,221	5,358	5,569	5,925	6,285	6.1%	20.4%	15,669	17,780	13.5%	21,028
<i>Insurance sales commission</i>	740	942	724	745	739	-0.9%	-0.1%	3,420	2,209	-35.4%	4,363
<i>M&A commission</i>	3,263	7,051	3,131	3,596	5,676	57.8%	74.0%	9,135	12,404	35.8%	16,186
<i>Management fee</i>	19,981	20,299	20,349	20,840	21,388	2.6%	7.0%	59,931	62,578	4.4%	80,231
<i>Other</i>	6,172	7,354	6,872	7,121	6,550	-8.0%	6.1%	19,205	20,544	7.0%	26,560

Daiwa Securities

Balance Sheet

Daiwa Securities Balance Sheet (Dec. 31, 2017)

(Y bil)

Current assets	11,239	(1,061)
Trading products	4,761	(106)
Trading securities and other	2,153	(189)
Derivatives	2,607	(-83)
Margin transaction assets	214	(16)
Loans on margin transactions	183	(13)
Cash collateral pledged for securities borrowing on margin transactions	31	(3)
Loans secured by securities	3,680	(507)
Short-term guarantee deposits	305	(-24)
Short-term loans receivable	306	(65)
Non-current assets	113	(5)
Property, plant and equipment	3	(0)
Intangible assets	62	(4)

Total assets	11,352	(1,066)
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Current liabilities	9,125	(897)
Trading products	3,525	(-3)
Trading securities and other	1,249	(113)
Derivatives	2,276	(-117)
Margin transaction liabilities	85	(24)
Loans payables secured by securities	2,797	(123)
Short-term loans payable	1,522	(355)
Current portion of bonds	173	(51)
Non-current liabilities	1,436	(221)
Bonds payable	566	(-28)
Long-term loans payable	833	(248)
Total liabilities	10,565	(1,119)
Net assets	786	(-52)
Shareholders' equity	778	(-53)
Capital stock	100	-

Total liabilities and net assets	11,352	(1,066)
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※Figures in parentheses show changes from March 31, 2017

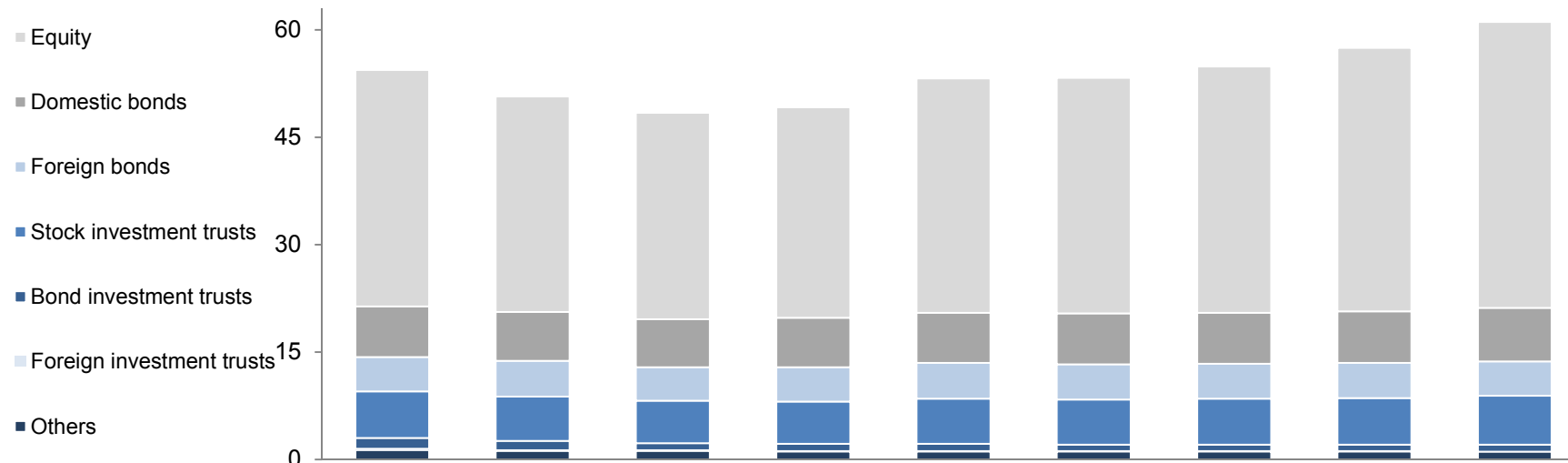
Financial Summary I

(Y mil)	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016 1Q-3Q	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q						
Operating revenues	88,975	84,742	81,949	86,224	99,158	15.0%	11.4%	250,168	267,333	6.9%	334,911
Commission received	48,339	50,354	47,399	52,877	58,694	11.0%	21.4%	130,881	158,971	21.5%	181,235
Brokerage commission	12,852	12,388	12,149	12,364	17,010	37.6%	32.3%	32,264	41,523	28.7%	44,652
<i>Stock and others</i>	12,281	12,071	11,797	12,109	16,661	37.6%	35.7%	30,583	40,567	32.6%	42,654
Underwriting commission	7,645	6,613	5,163	10,157	8,315	-18.1%	8.8%	20,922	23,636	13.0%	27,535
<i>Equity</i>	4,565	3,496	1,920	7,210	5,386	-25.3%	18.0%	10,174	14,517	42.7%	13,670
<i>Bond and others</i>	3,080	3,117	3,242	2,947	2,928	-0.6%	-4.9%	10,748	9,118	-15.2%	13,865
Distribution commission	9,729	10,788	11,019	10,704	13,118	22.6%	34.8%	22,689	34,842	53.6%	33,477
<i>Investment trust</i>	8,991	9,415	10,498	9,992	12,463	24.7%	38.6%	20,684	32,954	59.3%	30,099
Other commissions	18,111	20,564	19,068	19,650	20,250	3.1%	11.8%	55,005	58,969	7.2%	75,569
<i>Agency fee and others</i>	7,813	8,003	7,847	8,006	8,135	1.6%	4.1%	23,571	23,989	1.8%	31,574
<i>Investment advisory and account management fees</i>	5,221	5,358	5,569	5,925	6,285	6.1%	20.4%	15,669	17,780	13.5%	21,028
<i>Insurance sales commission</i>	740	942	724	745	739	-0.9%	-0.1%	3,420	2,209	-35.4%	4,363
<i>M&A commission</i>	1,647	2,944	1,771	1,025	1,736	69.3%	5.4%	4,180	4,532	8.4%	7,124
Net trading income/loss	30,681	25,184	22,184	20,291	27,834	37.2%	-9.3%	91,089	70,311	-22.8%	116,273
Equity	8,484	6,795	7,563	6,069	12,607	107.7%	48.6%	14,920	26,240	75.9%	21,715
Bond and forex	22,197	18,389	14,621	14,222	15,227	7.1%	-31.4%	76,168	44,070	-42.1%	94,557
Financial revenues	9,954	9,203	12,364	13,055	12,629	-3.3%	26.9%	28,198	38,050	34.9%	37,402
Financial expenses	5,993	5,076	8,929	7,057	9,239	30.9%	54.2%	15,732	25,225	60.3%	20,808
Net operating revenues	82,982	79,666	73,020	79,167	89,919	13.6%	8.4%	234,436	242,107	3.3%	314,102

Financial Summary II

(Y mil)	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016	FY2017	% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
SG&A	58,662	59,923	56,564	60,128	61,181	1.8%	4.3%	171,764	177,874	3.6%	231,688
Trading related expenses	10,212	10,507	8,836	10,713	10,321	-3.7%	1.1%	28,948	29,871	3.2%	39,456
Personnel expenses	25,190	25,246	24,109	25,413	26,667	4.9%	5.9%	74,473	76,189	2.3%	99,719
Real estate expenses	5,987	6,272	6,073	6,178	6,240	1.0%	4.2%	17,776	18,491	4.0%	24,048
Office cost	11,256	11,455	11,447	11,572	11,723	1.3%	4.2%	32,677	34,743	6.3%	44,133
Depreciation	3,883	4,050	4,085	4,039	4,079	1.0%	5.0%	11,615	12,204	5.1%	15,666
Taxes and dues	1,154	1,245	1,095	1,245	1,168	-6.2%	1.3%	3,426	3,509	2.4%	4,671
Other	977	1,145	917	966	980	1.4%	0.3%	2,846	2,864	0.6%	3,991
Ordinary income	25,561	20,728	16,883	19,031	28,679	50.7%	12.2%	64,505	64,594	0.1%	85,234
Net income	17,374	13,711	11,618	13,418	21,712	61.8%	25.0%	44,749	46,749	4.5%	58,461
ROE (Annualized)	8.5%	6.6%	5.8%	7.1%	11.2%			7.4%	7.7%		7.2%
Capital adequacy ratio	398.7%	405.2%	340.0%	343.9%	336.2%			398.7%	336.2%		405.2%

Assets under Custody



(Y tri)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	33.0	30.1	28.8	29.4	32.7	32.9	34.4	36.8	39.9
Domestic bonds	7.1	6.8	6.7	6.9	7.0	7.1	7.1	7.2	7.5
Foreign bonds	4.8	5.0	4.7	4.8	5.0	4.9	4.9	4.9	4.8
Stock investment trusts	6.5	6.2	5.9	5.9	6.3	6.3	6.4	6.5	6.8
Bond investment trusts	1.5	1.3	1.0	1.0	1.0	0.9	0.9	0.9	1.0
Foreign investment trusts	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Others	1.3	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1
Total	54.5	51.0	48.7	49.5	53.5	53.6	55.2	57.9	61.5
Daiwa Next Bank deposit balance	3.3	3.1	3.0	3.0	3.2	3.1	3.3	3.4	3.7

※All figures are as at the end of each quarter.

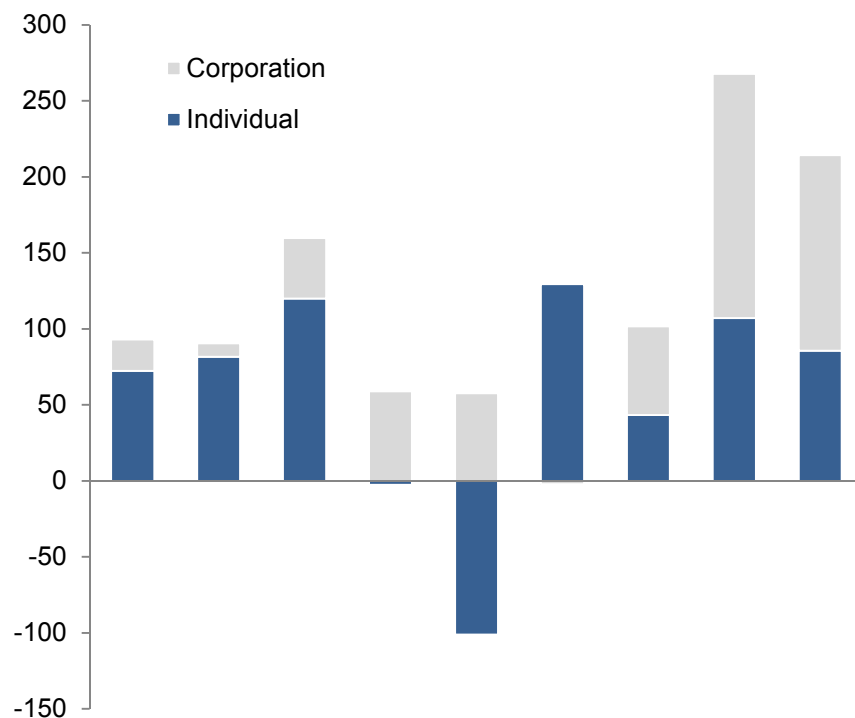
※ ETFs are recorded in 'Equity'.

Number of Accounts and Equity Trading

	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Accounts with balance (thousands)	2,961	2,973	2,973	2,976	2,963	2,974	2,965	2,969	2,965
Accounts holding equity (thousands)	1,367	1,381	1,402	1,408	1,396	1,396	1,388	1,399	1,386
Online trading accounts (thousands)	3,020	3,040	3,060	3,080	3,103	3,127	3,140	3,164	3,187
Newly opened accounts (thousands)	50	31	34	31	39	39	35	40	40
NISA accounts* (thousands)	741	749	756	763	769	779	785	792	796
Wrap account service (end of quarter)									
Contract assets under management (Y bil)	1,575	1,540	1,498	1,537	1,604	1,661	1,738	1,834	1,944
Number of customers (thousands)	116.5	118.4	120.0	122.3	121.5	125.2	127.7	130.9	131.4
Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity)									
Total number of contracts (thousands)	2,912	3,103	2,757	2,374	3,000	2,806	2,783	2,730	3,476
Online out of total (thousands)	2,571	2,775	2,442	2,103	2,593	2,459	2,432	2,384	3,003
Total trading value (Y bil)	2,850	2,561	2,341	2,144	2,873	2,635	2,692	2,666	3,737
Online out of total (Y bil)	2,241	2,063	1,826	1,692	2,177	2,024	2,039	2,026	2,743
Foreign equity trading value (Retail)									
Trading value (Y bil)	126	75	127	137	157	151	248	276	387

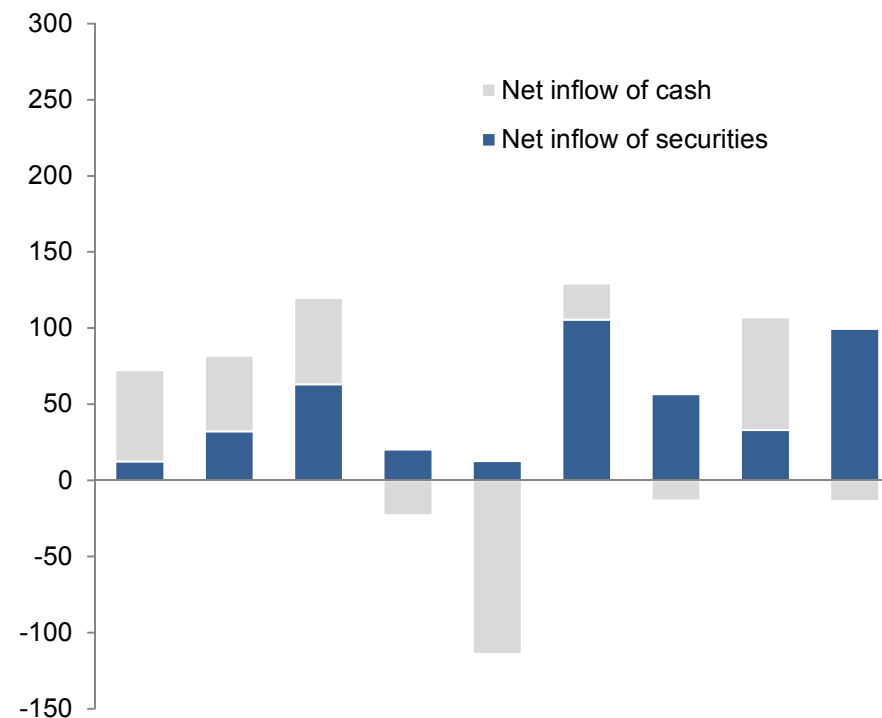
* The accumulated number of opened accounts

Net Inflow of Assets

Retail Division (Daiwa Securities) Net Inflow of Assets


(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Corporation	20.6	8.8	39.9	58.8	57.6	-2.2	58.2	160.7	128.6
Individual	72.4	81.7	119.9	-2.6	-101.2	129.3	43.3	107.0	85.7
Total	93.1	90.6	159.9	56.2	-43.6	127.1	101.6	267.8	214.4

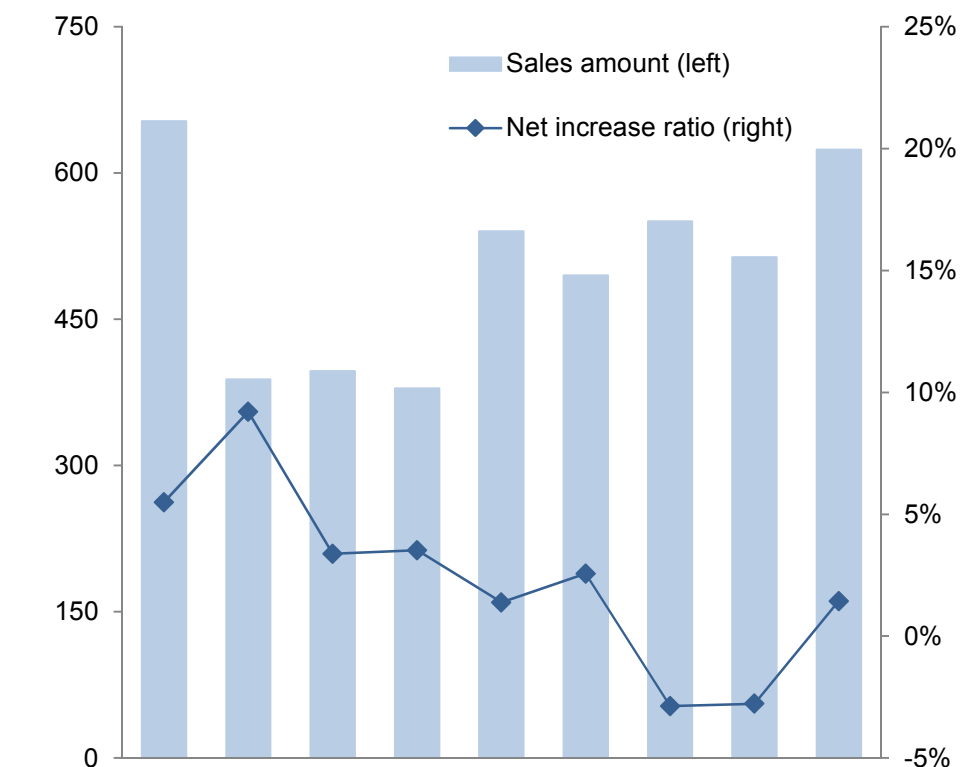
※ Net inflow of assets = net inflow of cash and securities

Retail Division (Daiwa Securities) Net Inflow of Assets (Individuals)


(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net inflow of cash	59.9	49.6	56.9	-22.9	-114.0	23.8	-13.2	74.0	-13.6
Net inflow of securities	12.4	32.1	63.0	20.3	12.7	105.5	56.6	33.0	99.4
Total	72.4	81.7	119.9	-2.6	-101.2	129.3	43.3	107.0	85.7

Stock Investment Trusts & Wrap Accounts

Retail Division (Daiwa Securities) Sales of Stock Investment Trusts

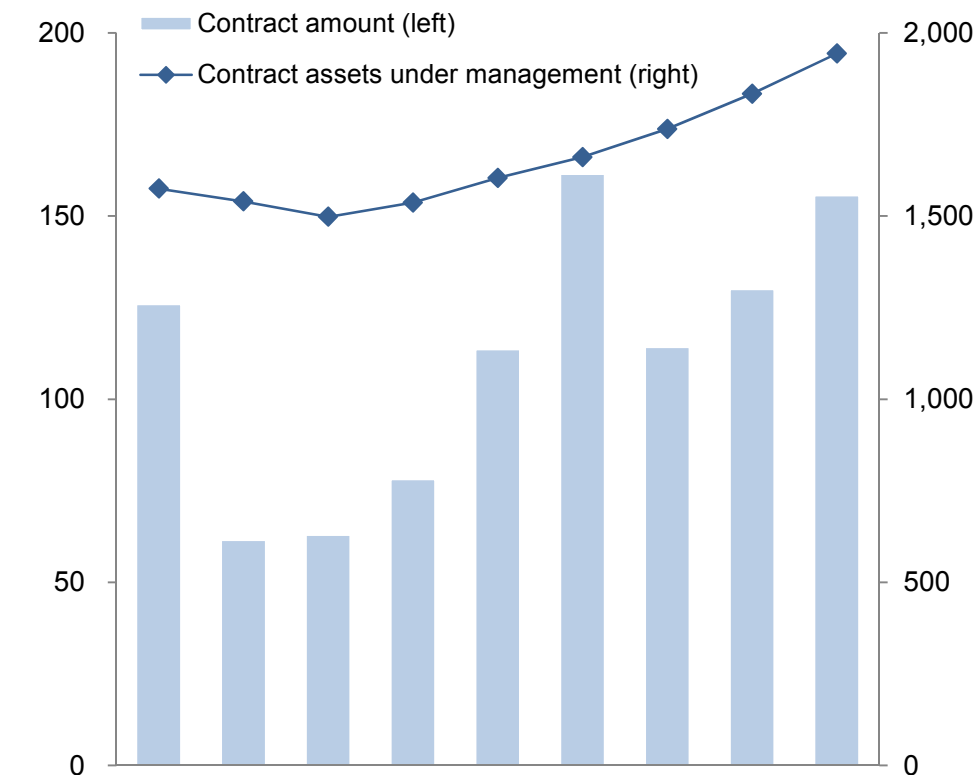


(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Sales amount	653.3	388.4	396.8	379.3	540.2	494.9	550.3	513.7	624.1

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

※Includes switching transaction between funds.

Wrap Account Contract and Contract AUM



(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Contract amount	125.9	61.5	62.9	78.1	113.6	161.5	114.2	130.0	155.6
Contract AUM	1,575	1,540	1,498	1,537	1,604	1,661	1,738	1,834	1,944

League Table

	Primary and secondary equity offerings	IPO	Straight bonds (excl. family bonds)	Agency bonds	Municipal bonds	Samurai bonds (excl. family bonds)	M&A (Number of deals)
3Q FY2017 League Table							
1st	Daiwa	Daiwa	Nomura	Mitsubishi UFJMS	Daiwa	Mizuho	MHFG
	29.3%	27.0%	22.7%	25.9%	20.6%	29.2%	
2nd	Nomura	Nomura	Mizuho	Nomura	Nomura	Nomura	SMFG
	25.6%	26.7%	19.1%	20.6%	18.2%	23.0%	
3rd	Mitsubishi UFJMS	Mitsubishi UFJMS	Daiwa	Mizuho	SMBC Nikko	SMBC Nikko	Nomura
	10.5%	13.9%	18.6%	19.4%	17.3%	22.5%	
4th	Mizuho	Mizuho	Mitsubishi UFJMS	SMBC Nikko	Mizuho	Daiwa	KPMG
	8.0%	11.2%	18.1%	17.7%	15.8%	15.3%	
5th	Goldman Sachs	SMBC Nikko	SMBC Nikko	Daiwa	Mitsubishi UFJMS	Mitsubishi UFJMS	Kaede Group
	7.9%	10.0%	17.5%	14.7%	15.7%	8.9%	
8th							Daiwa

Source: Daiwa Securities Apr. 2017 – Dec. 2017

M&A: THOMSON REUTERS Apr. 2017 – Dec. 2017 “M&A advisory league table for any Japanese involvement announced (AD19)”

Note: Primary and secondary equity, IPO, Straight bonds, Agency bonds, Municipal bonds and Samurai bonds are based on settlement date
Joint lead manager allotment of Primary and secondary equity, IPO, Straight bonds, Municipal bonds and Agency bonds is based on underwritten amount

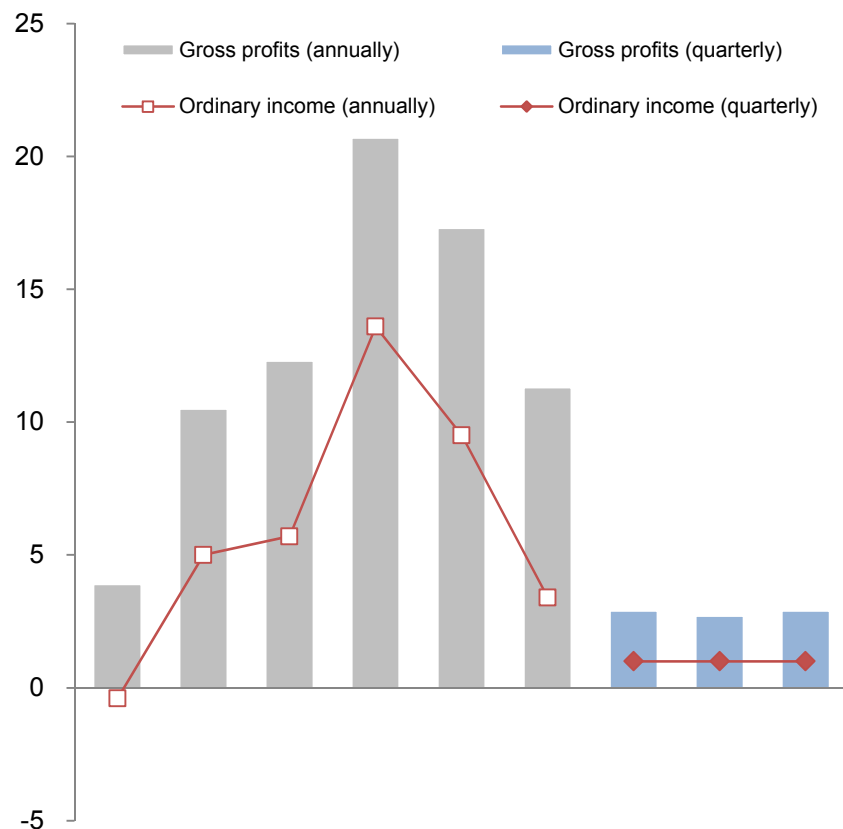
Joint bookrunner allotment of Samurai bonds is divided up evenly among the bookrunners

Financial Summary

(Y mil)	FY2016		FY2017			% Change vs 2Q/FY17	% Change vs 3Q/FY16	FY2016 1Q-3Q	FY2017 1Q-3Q	% Change vs 1Q-3Q/FY16	FY2016
	3Q	4Q	1Q	2Q	3Q						
Operating revenues	20,051	20,360	20,411	20,949	21,484	2.6%	7.1%	60,114	62,845	4.5%	80,474
Management fee	19,874	20,167	20,225	20,770	21,299	2.5%	7.2%	59,579	62,295	4.6%	79,747
<i>Stock investment trust</i>	19,833	20,122	20,177	20,717	21,246	2.6%	7.1%	59,465	62,141	4.5%	79,588
<i>Bond investment trust</i>	40	45	48	52	53	1.2%	31.9%	113	154	35.3%	158
Other operating revenues	177	193	186	178	184	3.5%	4.1%	534	549	2.8%	727
SG&A	15,974	16,068	15,953	16,254	16,610	2.2%	4.0%	47,852	48,818	2.0%	63,920
Commission paid	9,952	10,033	9,989	10,226	10,390	1.6%	4.4%	30,077	30,607	1.8%	40,110
Other SG&A	6,022	6,035	5,963	6,027	6,219	3.2%	3.3%	17,774	18,210	2.5%	23,809
Operating income	4,076	4,292	4,458	4,694	4,874	3.8%	19.6%	12,261	14,026	14.4%	16,554
Ordinary income	4,248	4,396	4,607	4,757	4,944	3.9%	16.4%	12,538	14,309	14.1%	16,935
Net income	2,881	3,165	3,176	3,240	3,396	4.8%	17.9%	8,368	9,813	17.3%	11,533

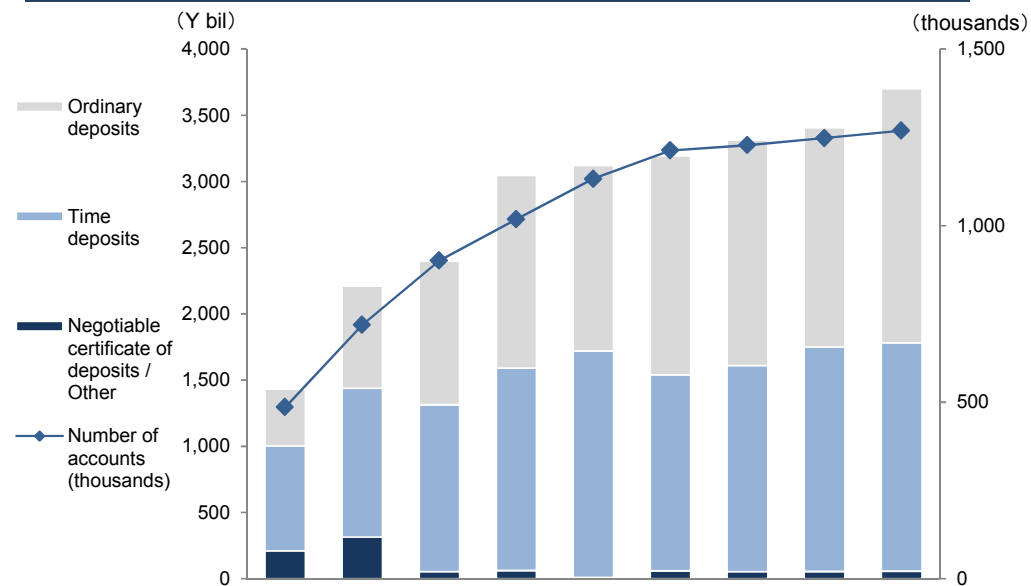
Earnings and Deposit Balance

Gross Profits / Ordinary Income



(Y bil)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017		
							1Q	2Q	3Q
Gross profits	3.9	10.5	12.3	20.7	17.3	11.3	2.9	2.7	2.9
Ordinary income	-0.4	5.0	5.7	13.6	9.5	3.4	1.0	1.0	1.0

Daiwa Next Bank Deposit Balance & Number of Accounts



(Y bil)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017		
							1Q	2Q	3Q
Ordinary deposits	429	771	1,085	1,455	1,401	1,653	1,703	1,655	1,917
Time deposits	792	1,125	1,261	1,528	1,711	1,480	1,555	1,694	1,725
Negotiable certificate of deposits / Other	211	314	52	62	8	59	54	56	57
Deposit balance	1,432	2,210	2,399	3,047	3,121	3,193	3,313	3,406	3,701
Number of accounts (thousands)	486	719	901	1,018	1,133	1,213	1,228	1,248	1,269

※All figures are as at the end of the period.

Range and Assumption of VaR

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

(Y bil)	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
VaR (Quarter end)	1.25	1.55	1.01	1.00	1.25	1.96	1.29	1.16	1.93
High	1.71	3.14	2.26	2.53	2.97	3.16	3.41	4.19	2.00
Low	1.13	1.17	0.99	0.98	1.02	1.56	1.28	1.16	1.06
Average	1.47	1.67	1.53	1.40	2.02	2.17	2.59	2.29	1.34
By risk factors (Quarter end)									
Equity	0.39	0.28	0.27	0.44	0.40	0.54	0.34	0.43	0.68
Interest	1.13	1.64	1.00	1.00	1.15	1.89	1.40	1.15	1.43
Currency	0.59	0.33	0.19	0.17	0.26	0.29	0.20	0.15	0.21
Commodity	0.00	0.00	0.00	0.00	0.03	0.00	0.06	0.00	0.00

※Figures of VaR (Quarter end) and VaR by Interest from 3Q FY2016 to 1Q FY2017 are modified in 2Q FY2017 due to reviewing of scenarios about Interest risk.

Number of Group Employees

	FY2015		FY2016				FY2017		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total	15,179	15,028	15,637	15,559	15,410	15,093	16,256	16,207	16,200
Overseas	1,603	1,566	1,592	1,597	1,592	1,614	1,634	1,683	1,760

■ Number of employees as at the end of each quarter.

※ Total figures are the sum of consolidated group companies and Daiwa SB Investments.

※ Number of employees of DIR Information Systems has been included from 1Q FY2017 as it shifted to a consolidated company.

※ Overseas figures are the sum of consolidated group companies under Daiwa International Holdings and Daiwa Securities. The figure also includes overseas subsidiaries of Daiwa Asset Management which have become consolidated companies since 1Q FY2016. Number of employees of Sagent Advisors and Signal Hill are also included which have become consolidated companies since 2Q FY2017 and 3Q FY2017 respectively.

※ Figures include temporary staff.

Contact

Daiwa Securities Group Inc.

Investor Relations

TEL: +81-3-5555-1300 FAX: +81-3-5555-0661

E-mail: ir-section@daiwa.co.jp

URL: <http://www.daiwa-grp.jp/ir/english/>