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1Q FY2009 Earnings Announcement

July 31, 2009

Daiwa Securities Group Inc.

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Consolidated Highlights

- Consolidated annualized ROE for 1Q : 9.3% (Retail : 10.9%, Wholesale : 6.8%)
- 1Q consolidated ordinary income was Y22.8bil, due to the significant recovery of commissions and decrease of losses on private equity and other securities. Net income was Y17.8bil; first recovery to the positive figure on quarterly base since FY08.1Q.
- Due to the increase in large equity finance, investment banking division significantly improved, resulting in total commission of Y70.5bil, up 62% q/q.
- 1Q trading income increased to Y34.7bil, up 10% q/q, in accordance with market recovery.

1Q FY09 Highlights

- Net operating revenues: Y 107.3bil, up 99% q/q.
- Ordinary income: Y 22.8bil
- Net income: Y 17.8bil

Consolidated Financial Summary

(Y mil)	FY2009	FY2008	% Change vs 4Q FY08	FY2008	% Change vs 1Q FY08	FY2008
	1Q	4Q		1Q		
Operating revenues	132,119	78,436	68.4%	165,376	-20.1%	413,936
Net operating revenues	107,364	54,003	98.8%	93,026	15.4%	199,544
SG&A	86,552	81,923	5.6%	88,446	-2.1%	343,270
Ordinary income	22,827	-27,923	—	8,321	174.3%	-141,150
Net income	17,870	-17,363	—	5,885	203.6%	-85,039
Total assets	15,309,320	14,182,579		16,731,380		14,182,579
Net assets	1,107,811	952,329		1,089,393		952,329
Shareholders' equity*	824,109	720,272		825,314		720,272
EPS (Y)	13.27	-12.90		4.37		-63.16
BPS (Y)	612.12	534.99		612.96		534.99
ROE (Annualized)	9.3%	—		2.9%		—

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

1Q ROE (Annualized)	
Daiwa Securities	10.9%
Daiwa Securities SMBC (consolidated)	6.8%

Consolidated P/L Summary

(Y mil)	FY2009	FY2008	% Change vs 4Q FY08	FY2008			% Change vs 1Q FY08	FY2008
	1Q	4Q		3Q	2Q	1Q		
Operating revenues	132,119	78,436	68.4%	38,564	131,559	165,376	-20.1%	413,936
Commissions	70,514	43,658	61.5%	49,383	54,045	61,792	14.1%	208,880
Net gain/loss on trading	34,712	31,606	9.8%	-22,849	10,864	21,300	63.0%	40,921
Net gain/loss on private equity and other securities	-1,567	-25,785	—	-37,478	-15,206	-1,007	—	-79,477
Interest and dividend income	16,815	16,259	3.4%	37,525	69,129	69,748	-75.9%	192,663
Other revenues	11,644	12,696	-8.3%	11,983	12,726	13,541	-14.0%	50,948
Interest expenses	15,508	14,754	5.1%	34,774	64,161	62,343	-75.1%	176,034
Cost of sales	9,247	9,677	-4.4%	9,372	9,301	10,006	-7.6%	38,357
Net operating revenues	107,364	54,003	98.8%	-5,582	58,096	93,026	15.4%	199,544
SG&A	86,552	81,923	5.6%	83,606	89,293	88,446	-2.1%	343,270
Operating income	20,812	-27,919	—	-89,189	-31,196	4,580	354.4%	-143,725
Non-operating income	2,814	1,654	70.1%	1,256	907	4,143	-32.1%	7,961
Non-operating expenses	798	1,658	-51.8%	2,089	1,235	402	98.5%	5,386
Ordinary income	22,827	-27,923	—	-90,022	-31,525	8,321	174.3%	-141,150
Extraordinary gains	373	3,485	-89.3%	644	1,829	462	-19.3%	6,421
Extraordinary losses	1,053	10,913	-90.4%	9,535	5,585	3,029	-65.2%	29,064
Net income	17,870	-17,363	—	-53,039	-20,522	5,885	203.6%	-85,039

Consolidated Operating Revenues by Business Sector

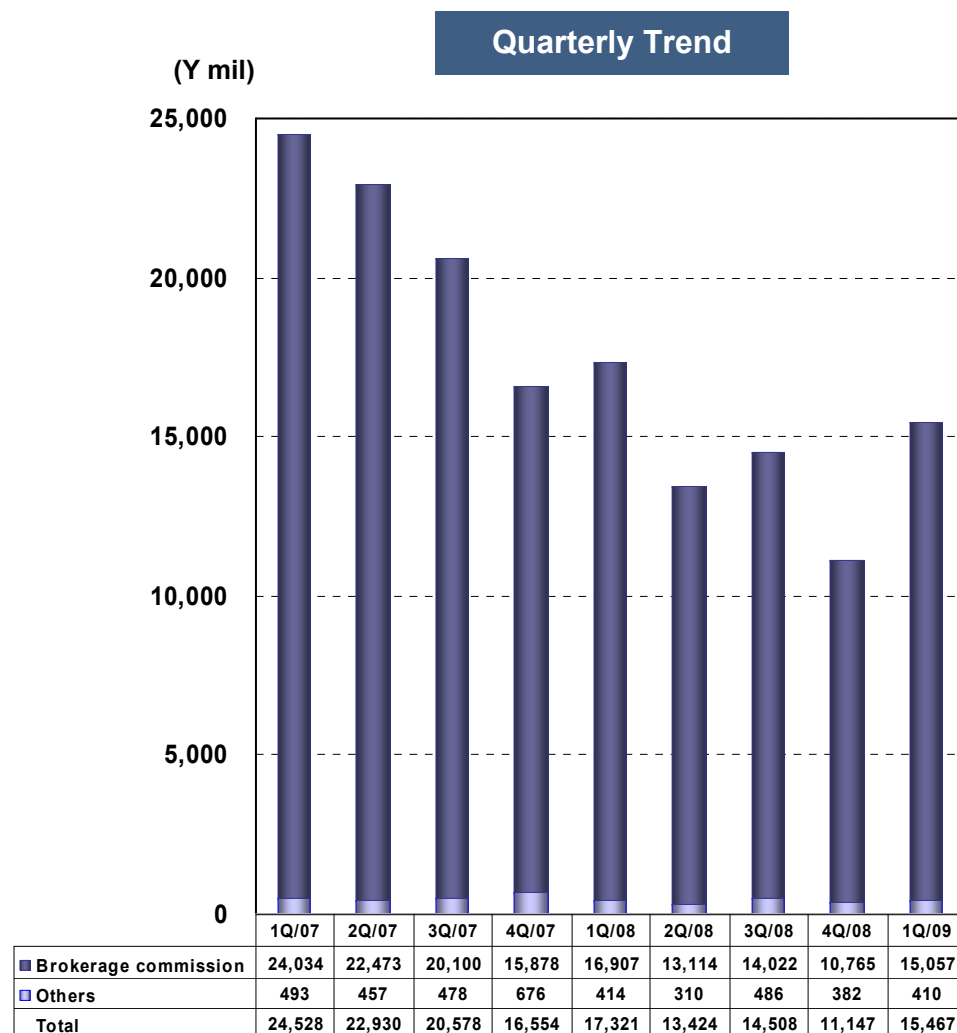
(Y mil)	FY2009	FY2008	% Change vs 4Q FY08	FY2008			% Change vs 1Q FY08	FY2008
	1Q	4Q		3Q	2Q	1Q		
Total commission	70,514	43,658	61.5%	49,383	54,045	61,792	14.1%	208,880
Equity	15,467	11,147	38.8%	14,508	13,424	17,321	-10.7%	56,401
Fixed income	160	104	54.4%	148	340	398	-59.7%	991
Investment trust	24,120	18,361	31.4%	19,367	28,314	30,956	-22.1%	97,001
Investment banking	26,612	10,205	160.8%	10,753	6,456	7,499	254.9%	34,914
Others	4,153	3,840	8.1%	4,605	5,508	5,616	-26.1%	19,571
Net gain/loss on trading	34,712	31,606	9.8%	-22,849	10,864	21,300	63.0%	40,921
Equity	14,685	9,895	48.4%	-48,076	-8,590	21,033	-30.2%	-25,737
Bond and Forex	20,026	21,710	-7.8%	25,226	19,454	266	—	66,658
Net gain/loss on private equity and other securities	-1,567	-25,785	—	-37,478	-15,206	-1,007	—	-79,477
Net financial income	1,307	1,504	-13.1%	2,751	4,967	7,405	-82.3%	16,629

Consolidated Equity Brokerage Commission

(Y mil)	FY2009 1Q	% Change vs 4Q FY08	% Change vs 1Q FY08
Brokerage commission	15,057	39.9%	-10.9%
Others	410	7.3%	-0.9%
Total	15,467	38.8%	-10.7%

- 1Q average daily trading value on the TSE was ¥1,721.2bil, up 19% q/q.
- 1Q market share on TSE:

Daiwa Securities Group Overall:	7.7% (4Q: 8.6%)
Daiwa Securities:	1.1% (4Q: 0.8%)
Daiwa Securities SMBC:	6.8% (4Q: 7.8%)
- 1Q online ratio for trading value by individuals at Daiwa Securities was 72.8%. (4Q: 73.0%)
- 1Q average brokerage commission rate at Daiwa Securities was 39bp. (4Q: 40bp)

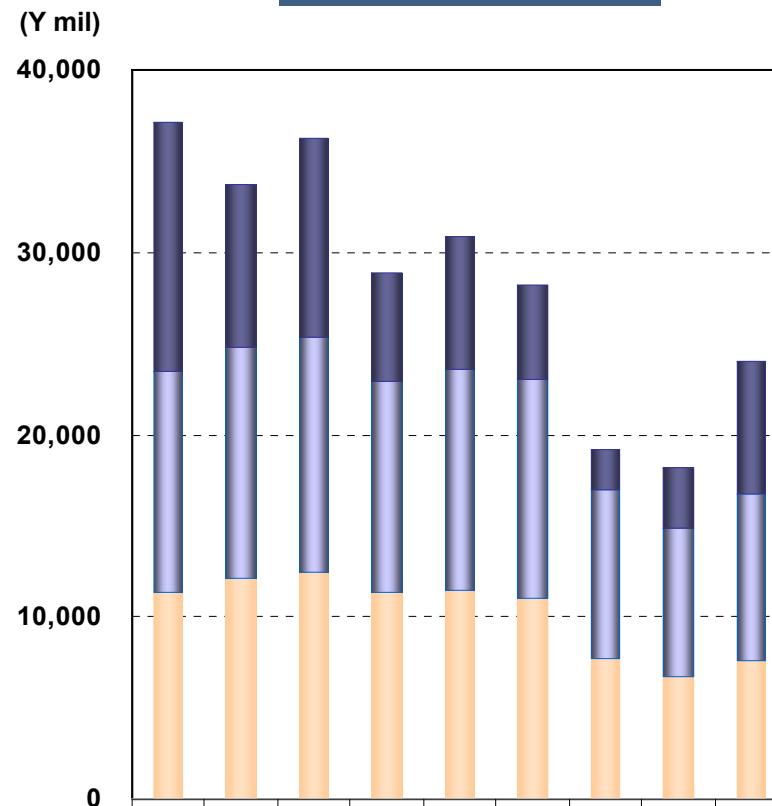


Consolidated Investment Trust Commission

(Y mil)	FY2009 1Q	% Change vs 4Q FY08	% Change vs 1Q FY08
Brokerage commission	122	-20.0%	15.4%
Distribution commission	7,237	117.0%	-0.1%
Management fee	16,760	12.7%	-29.0%
Agency commission	7,604	12.7%	-33.7%
Total	24,120	31.4%	-22.1%

- 1Q distribution commission was Y7.2bil, up 117% q/q, as newly launched fund sold well.
- 1Q management fee was Y16.7bil, up 13% q/q, as equity investment trust assets under management increased.

Quarterly Trend



Distribution commission	13,606	8,895	10,920	5,919	7,247	5,195	2,189	3,335	7,237
Management fee (excl. agency commission)	12,120	12,740	12,839	11,631	12,138	12,030	9,235	8,126	9,155
Agency commission	11,382	12,075	12,484	11,295	11,463	11,006	7,729	6,746	7,604
Total*	37,181	33,826	36,396	28,972	30,956	28,314	19,367	18,361	24,120

* Total includes brokerage commission from ETFs.

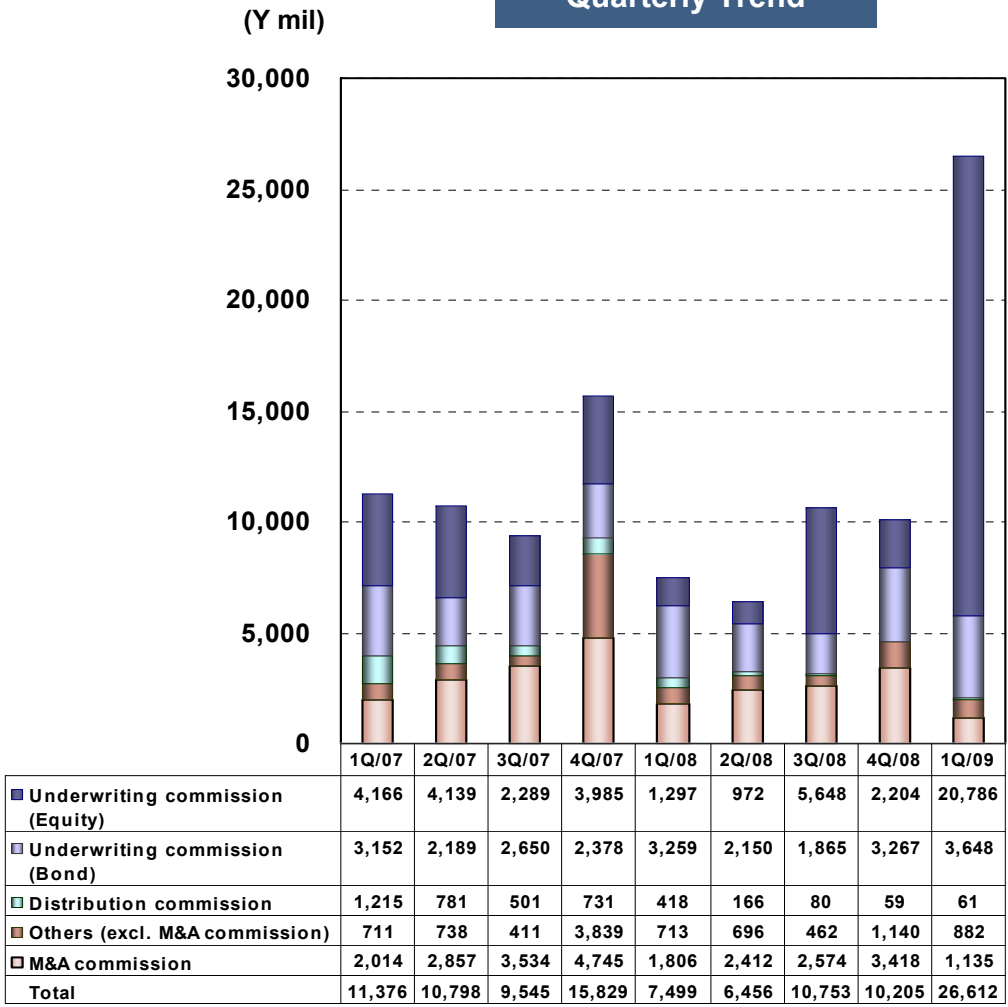
Consolidated Investment Banking Commission



(Y mil)	FY2009 1Q	% Change vs 4Q FY08	% Change vs 1Q FY08
Underwriting commission (Equity)	20,786	843.0%	—
Underwriting commission (Bond)	3,648	11.7%	11.9%
Distribution commission	61	3.8%	-85.4%
Others	2,018	-55.7%	-19.9%
M&A commission	1,135	-66.8%	-37.1%
Total	26,612	160.8%	254.9%

- 1Q equity underwriting commission significantly rose to Y20.7bil, due to the increase in large equity finance.
- 1Q bond underwriting commission was Y3.6bil, up 12% q/q, due to the increase in bond offering deals.
- 1Q M&A commission was Y1.1bil, down 67% q/q.

Quarterly Trend



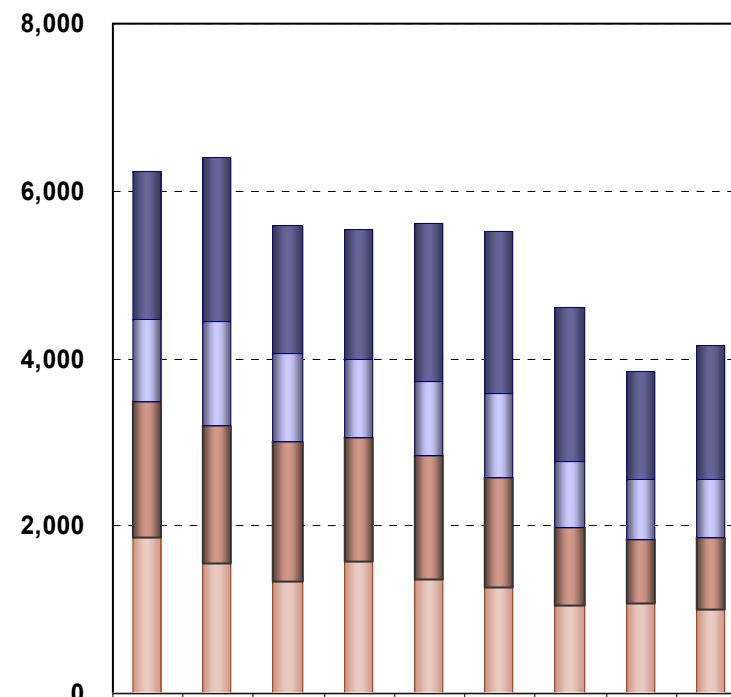
Consolidated Other Commissions

(Y mil)	FY2009 1Q	% Change vs 4Q FY08	% Change vs 1Q FY08
Life insurance sales commission	1,597	23.8%	-15.3%
Investment enterprise partnership administration fee	692	-2.1%	-22.6%
Custody fee	851	9.5%	-41.8%
Others	1,011	-5.0%	-26.3%
Total	4,153	8.1%	-26.1%

- 1Q life insurance sales commission was Y1.5bil, up 24% q/q.
- 1Q investment enterprise partnership administration fee decreased by 2% q/q to Y0.6bil.
- 1Q custody fee was Y0.8bil, up 10% q/q.

Quarterly Trend

(Y mil)



	1Q/07	2Q/07	3Q/07	4Q/07	1Q/08	2Q/08	3Q/08	4Q/08	1Q/09
Life insurance sales commission	1,757	1,944	1,530	1,549	1,887	1,936	1,833	1,290	1,597
Investment enterprise partnership administration fee	973	1,249	1,050	949	894	981	801	707	692
Custody fee	1,628	1,657	1,673	1,476	1,462	1,326	918	777	851
Others	1,867	1,545	1,342	1,573	1,373	1,264	1,053	1,065	1,011
Total	6,227	6,397	5,596	5,549	5,616	5,508	4,605	3,840	4,153

Consolidated Equity & Bond Division Revenues

(Trading gain/loss + net financial income)*

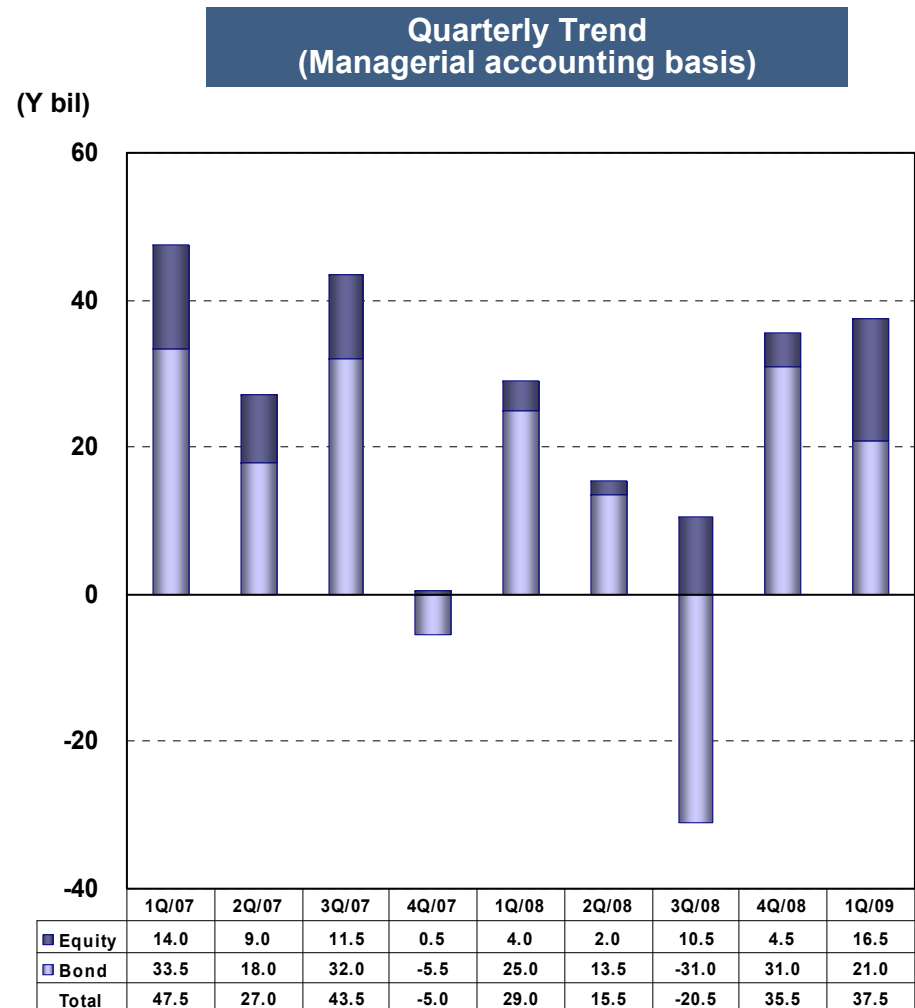


* Managerial accounting basis

(Y bil)	FY2009 1Q	% Change vs 4Q FY08	% Change vs 1Q FY08
Equity	16.5	266.7%	312.5%
Bond	21.0	-32.3%	-16.0%
Total	37.5	5.6%	29.3%

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

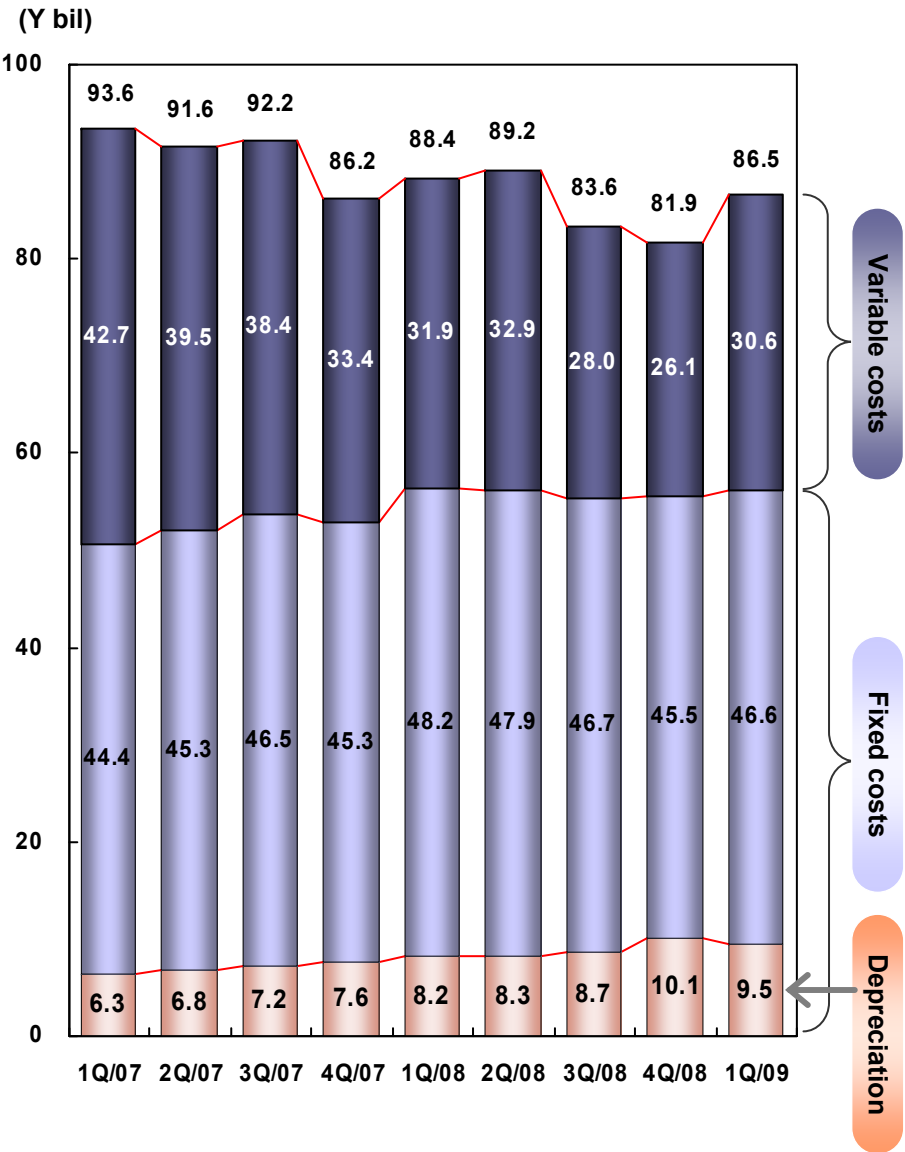
(Y mil)	FY2009 1Q	% Change vs 4Q FY08	% Change vs 1Q FY08
Equity	14,685	48.4%	-30.2%
Bond and forex	20,026	-7.8%	—
Total	34,712	9.8%	63.0%



Consolidated Breakdown of SG&A

(Y mil)	FY2009	FY2008	% Change vs 4Q FY08	FY2008			% Change vs 1Q FY08	FY2008
	1Q	4Q		3Q	2Q	1Q		
SG&A	86,552	81,923	5.6%	83,606	89,293	88,446	-2.1%	343,270
Fees and commissions paid	14,346	14,782	-3.0%	15,380	17,842	18,013	-20.4%	66,018
Personnel costs	39,938	33,542	19.1%	35,331	35,605	37,120	7.6%	141,600
Real estate expenses	10,555	10,549	0.1%	10,566	11,505	11,082	-4.8%	43,704
Office expenses	6,350	7,174	-11.5%	7,460	7,686	7,836	-19.0%	30,157
Depreciation	9,506	10,186	-6.7%	8,767	8,384	8,252	15.2%	35,590
Taxes other than income taxes	2,113	1,575	34.2%	1,657	1,505	1,816	16.4%	6,553
Others	3,741	4,112	-9.0%	4,444	6,763	4,324	-13.5%	19,645

Consolidated Cost Structure



(Y bil)	FY2007				FY2008				FY2009
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Total SG&A	93.6	91.6	92.2	86.2	88.4	89.2	83.6	81.9	86.5
Variable costs	42.7	39.5	38.4	33.4	31.9	32.9	28.0	26.1	30.6
Commission & other expenses	20.3	23.0	20.4	21.5	18.0	17.8	15.3	14.7	14.3
Advertising expenses	3.5	3.6	2.7	3.9	2.3	2.3	1.7	1.9	1.5
Bonus	13.5	8.2	9.4	3.3	5.9	4.9	5.2	4.6	9.7
FA remuneration	1.2	1.1	0.9	0.6	0.6	0.4	0.2	0.3	0.4
Overtime, part-time	2.5	2.5	2.6	2.4	2.5	2.4	2.3	1.8	1.9
Fixed costs	50.8	52.1	53.8	52.9	56.5	56.3	55.5	55.7	56.1
Personnel costs	27.0	26.9	27.9	25.9	27.9	27.8	27.5	26.6	27.7
Real estate expenses	8.9	9.8	9.7	10.2	11.0	11.5	10.5	10.5	10.5
Depreciation	6.3	6.8	7.2	7.6	8.2	8.3	8.7	10.1	9.5
Office expenses	6.3	6.7	7.0	7.4	7.3	7.0	6.9	6.7	6.0
Taxes other than income taxes	2.1	1.7	1.7	1.6	1.8	1.5	1.6	1.5	2.1

Consolidated Balance Sheet

Consolidated Balance Sheet (6/09)

(Y bil)

Current assets	14,794 (+1,117)	Current liabilities	12,687 (+989)
Trading assets	6,673 (+469)	Trading liabilities	4,857 (+48)
Trading securities and others	4,316 (+752)	Trading securities and others	3,013 (+368)
Stocks, convertible bonds	198 (+9)	Stocks, convertible bonds	137 (+46)
Bonds	4,015 (+860)	Bonds	2,874 (+320)
Beneficiary certificates	73 (-54)	Beneficiary certificates	1 (+1)
CD/CP and others	29 (-63)	Derivative liabilities	1,844 (-319)
Derivative assets	2,357 (-282)	Short-term borrowings	978 (+42)
Private equity and other securities (after Allowance for possible investment losses)	719 (+203)	Commercial paper	420 (+99)
Daiwa Securities SMBC PI	671 (+205)	Collateralized short-term financing agreements	4,995 (+101)
Daiwa SMBC Capital	48 (-1)	Non-current liabilities	1,509 (-18)
Collateralized short-term financing agreements	5,908 (+495)	Bonds and notes	1,243 (-17)
Non-current assets	514 (+9)	Long-term debts	235 (-2)
Tangible fixed assets	149 (-0)	Total liabilities	14,201 (+971)
Intangible fixed assets	110 (-0)	Net assets	1,107 (+155)
Investments and others	254 (+10)	Owners' equity	710 (+13)
Investment securities	183 (+15)	Valuation and translation adjustments	113 (+90)
Listed stocks	94 (+13)	Minority interests	281 (+51)
Unlisted stocks	31 (+2)		
Others	57 (-0)		
Others	71 (-5)		
Total assets	15,309 (+1,126)	Total liabilities and net assets	15,309 (+1,126)

Note: Figures in parenthesis indicate changes from 3/09. 14

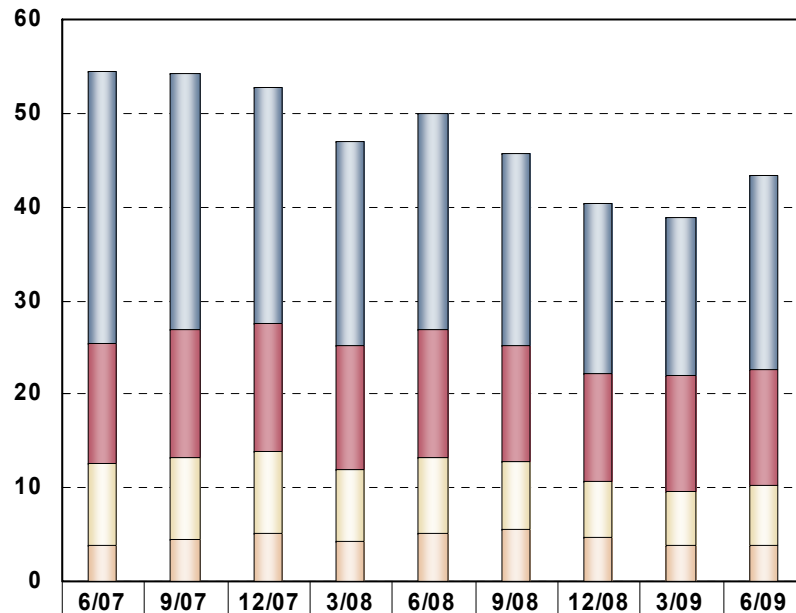
Consolidated Customer Assets and Assets Under Management



Customer Assets (Overall Group)
6/09: Y 43.4 tri

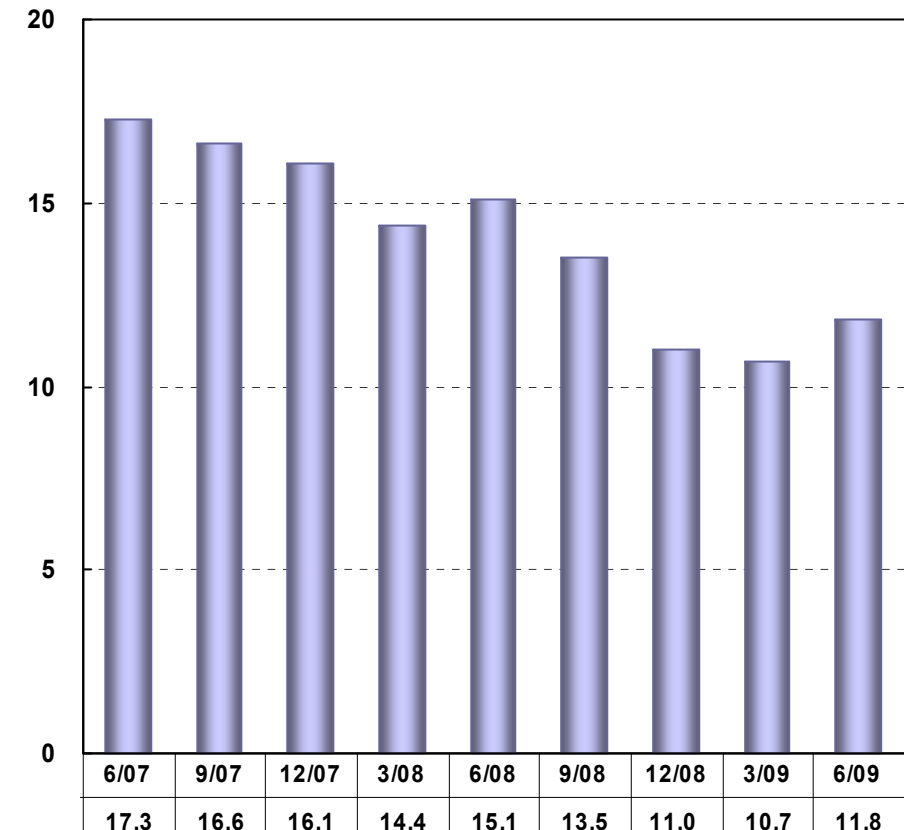
Assets Under Management (Overall Group)
6/09: Y 11.8 tri

(Y tri)



	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09
Equity	29.0	27.3	25.2	21.8	23.2	20.4	18.0	17.0	20.7
Bond	12.9	13.7	13.8	13.1	13.5	12.3	11.6	12.2	12.4
Investment trusts	8.8	8.7	8.7	7.8	8.2	7.3	5.9	5.8	6.4
Others	3.8	4.5	5.1	4.2	5.1	5.6	4.8	3.9	3.8
Total	54.6	54.3	53.0	47.0	50.1	45.8	40.4	39.1	43.4

(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

- 1Q net operating revenues were Y48.5bil, up 34% q/q, and ordinary income was Y11.1bil.
- 1Q equity brokerage commission was Y9.3bil, up 52% q/q, due to the increase in market trading volume and rise in Daiwa Securities' retail market share.
- 1Q equity distribution amount substantially increased to Y276.2bil, due to the increase in large equity finance including SMFG and TOSHIBA.
- The sales of equity investment trusts recovered to Y323.2bil, up 101% q/q, due to strong sales of newly launched funds.
- Number of Daiwa Direct accounts continuously increased to 1.15mil as of 6/09.
- Sales of foreign-currency denominated bonds remained strong, with the sales amount of Y252.6bil, up 10% q/q.
- For Daiwa FX (foreign exchange margin trading), 1Q trading value recorded historical high of approx. Y2.3tri, and the number of accounts was 30 thousand as of 6/09.
- For wrap account service, the number of customers reached 13,846 due to the increase in new contracts. Contract assets under management was Y193.5bil as of 6/09.

Retail - Daiwa Securities - Financial Summary

(Y mil)	FY2009	FY2008	% Change vs 4Q FY08	FY2008			% Change vs 1Q FY08	FY2008
	1Q	4Q		3Q	2Q	1Q		
Operating revenues	49,043	36,496	34.4%	33,763	41,258	48,365	1.4%	159,883
Commissions	36,731	22,537	63.0%	26,165	31,288	35,557	3.3%	115,549
Brokerage	9,463	6,308	50.0%	8,827	7,185	10,116	-6.5%	32,438
Stock and others	9,354	6,168	51.7%	8,633	7,119	10,030	-6.7%	31,952
Distribution	15,471	5,170	199.2%	5,008	8,361	9,204	68.1%	27,744
Stock and others	6,675	551	—	1,056	238	27	—	1,873
Bond and others	1,796	1,535	17.0%	1,909	3,061	2,160	-16.8%	8,667
Investment trust	6,999	3,082	127.0%	2,042	5,061	7,016	-0.2%	17,203
Other commissions	11,796	11,059	6.7%	12,329	15,741	16,237	-27.3%	55,367
Investment trust	7,352	6,503	13.1%	7,409	10,586	11,052	-33.5%	35,551
Net gain/loss on trading	10,980	12,785	-14.1%	6,289	8,202	11,144	-1.5%	38,422
Equity	2,033	1,115	82.3%	678	654	2,319	-12.3%	4,767
Bond and forex	8,946	11,669	-23.3%	5,610	7,548	8,824	1.4%	33,654
Interest and dividend income	1,332	1,173	13.5%	1,308	1,766	1,663	-19.9%	5,911
Interest expenses	509	376	35.1%	484	511	482	5.4%	1,855
Net operating revenues	48,534	36,119	34.4%	33,278	40,746	47,882	1.4%	158,027
SG&A	37,554	34,541	8.7%	34,666	35,455	35,749	5.1%	140,412
Ordinary income	11,135	1,926	478.0%	-1,307	5,413	12,364	-9.9%	18,396
Net income	6,437	92	—	-964	2,733	8,021	-19.7%	9,882
Capital adequacy ratio	418.8%	390.7%		395.4%	374.6%	358.2%		390.7%

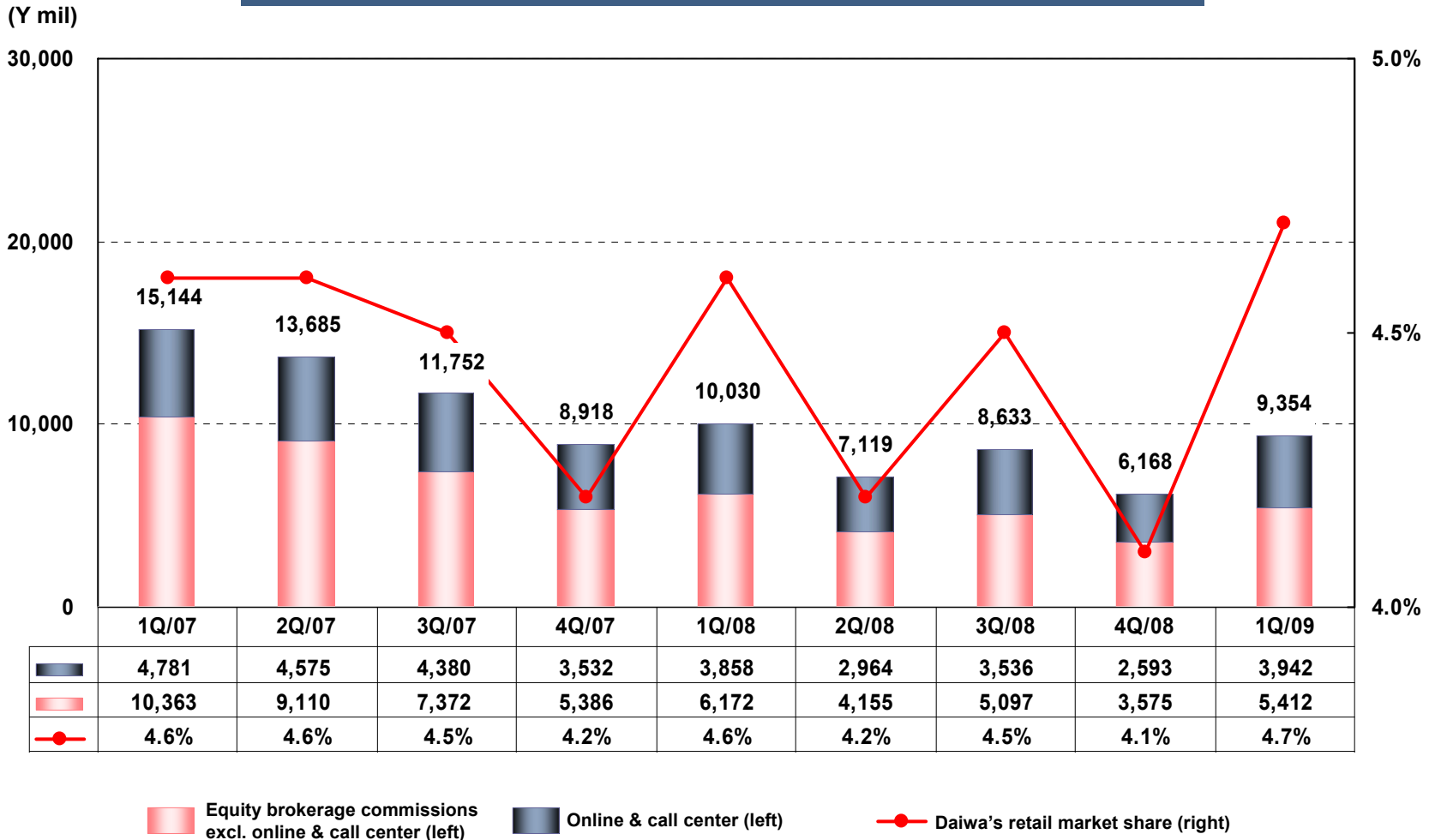
Retail - Daiwa Securities - Breakdown of SG&A

(Y mil)	FY2009	FY2008	% Change vs 4Q FY08	FY2008			% Change vs 1Q FY08	FY2008
	1Q	4Q		3Q	2Q	1Q		
SG&A	37,554	34,541	8.7%	34,666	35,455	35,749	5.1%	140,412
Fees and commissions paid	3,775	3,702	2.0%	4,354	4,504	4,753	-20.6%	17,315
Personnel costs	17,558	13,767	27.5%	14,560	15,168	16,147	8.7%	59,644
Real estate expenses	4,778	4,798	-0.4%	4,656	5,105	4,775	0.1%	19,336
Office expenses	5,988	6,763	-11.5%	6,042	5,971	5,495	9.0%	24,272
Depreciation	4,310	4,547	-5.2%	4,129	3,773	3,503	23.0%	15,955
Taxes other than income taxes	410	207	97.8%	211	247	384	6.8%	1,050
Others	732	754	-2.9%	713	682	688	6.4%	2,838

Retail - Daiwa Securities - Equity Brokerage Commissions



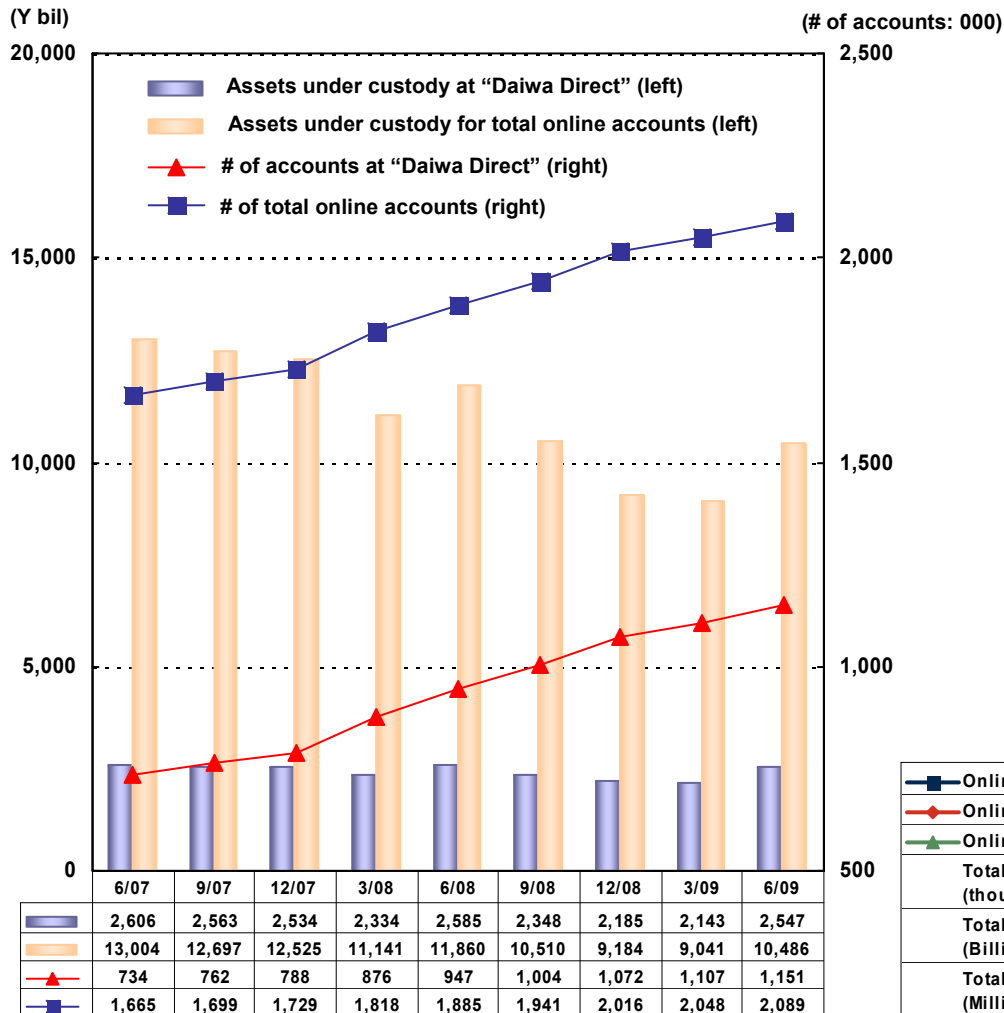
Retail Equity Brokerage Commissions and Market Share



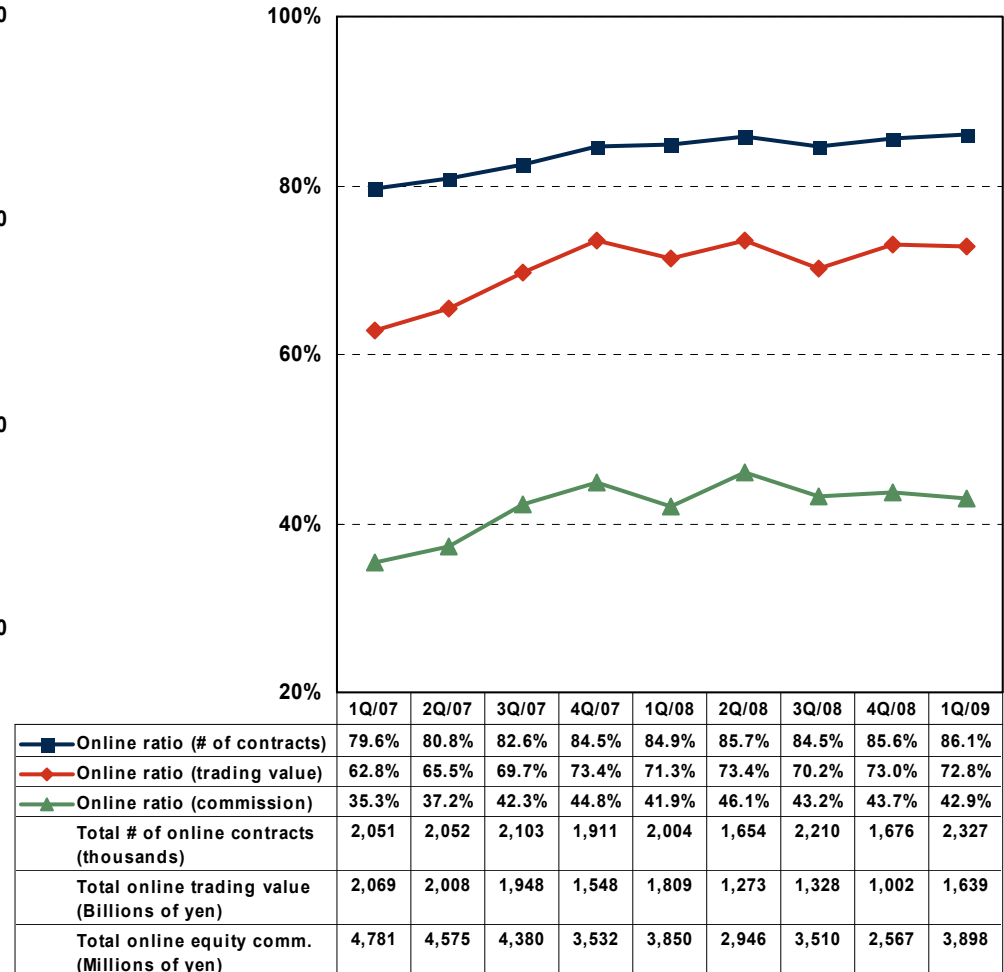
Note: Excludes foreign equities listed on overseas countries.
Market share is the share among total trading value by individuals on Tokyo, Osaka, and Nagoya Stock Exchanges.

Retail - Daiwa Securities - Online Trading (1)

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

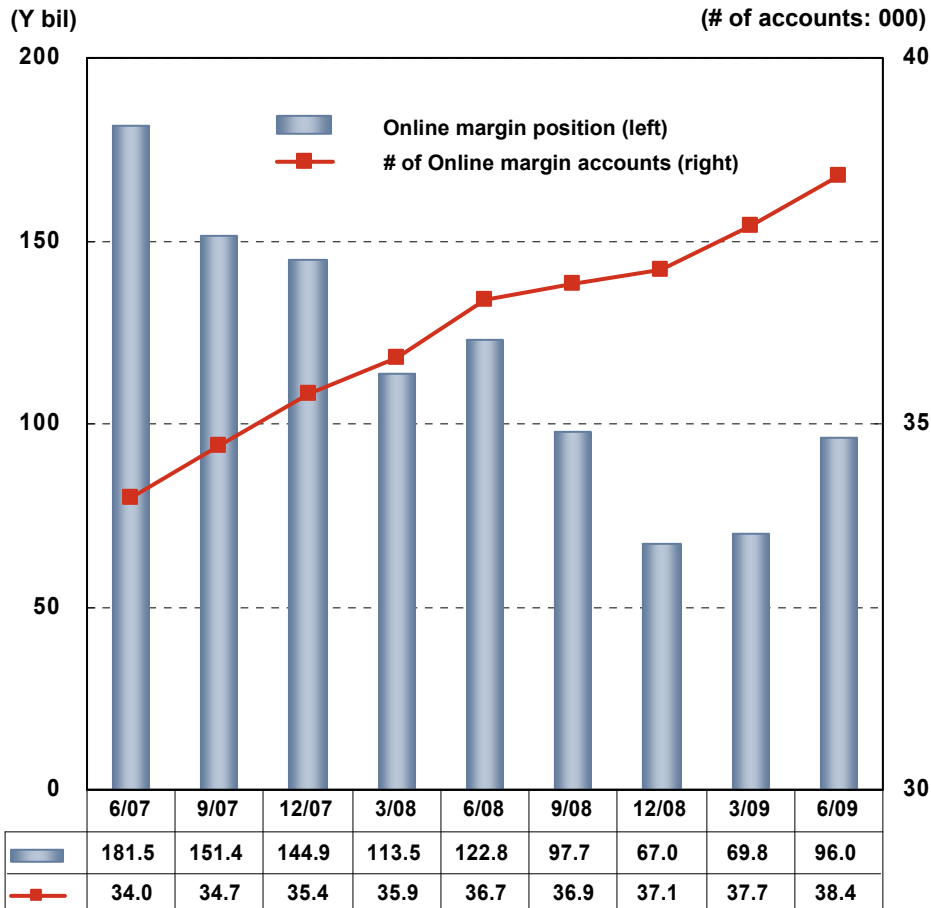


Online Ratio for Retail Investors (Equity)

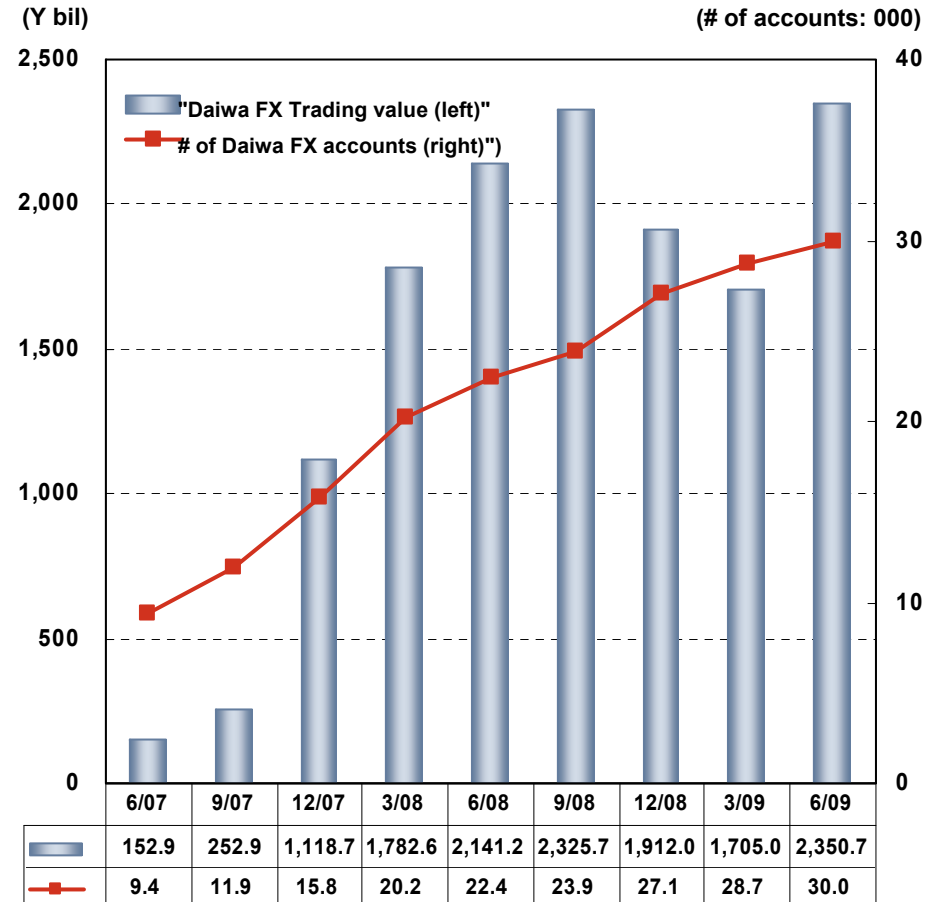


Retail - Daiwa Securities - Online Trading (2)

Accounts and Outstanding Position of "Online Margin Transaction Services"

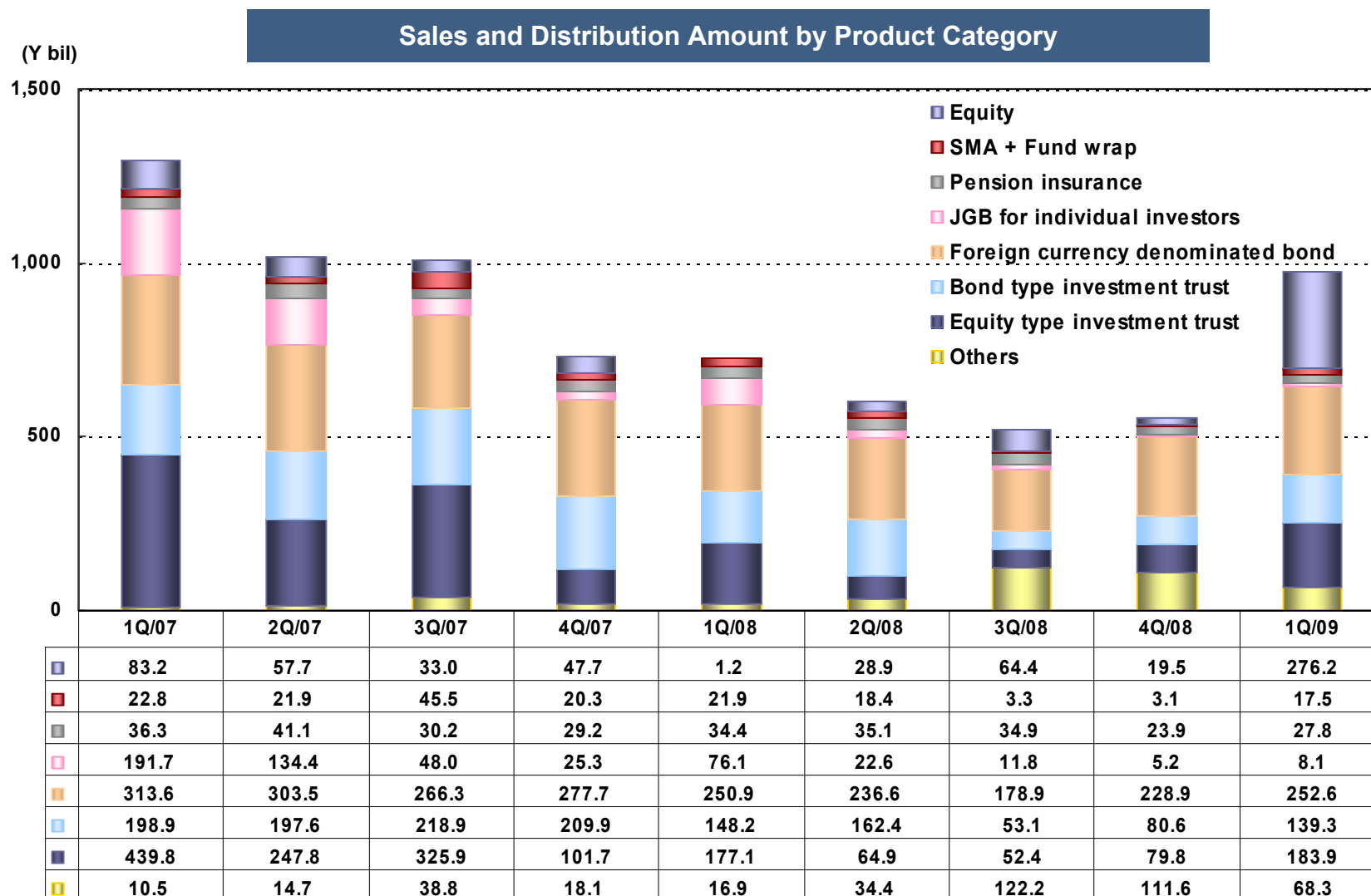


Accounts and Trading Value of "Daiwa FX (FX margin trading)"



Note: Trading value is a total for quarterly period

Retail - Daiwa Securities - Product Sales



Note1: "Others" includes sales of yen denominated bonds excluding JGB for individual investors.

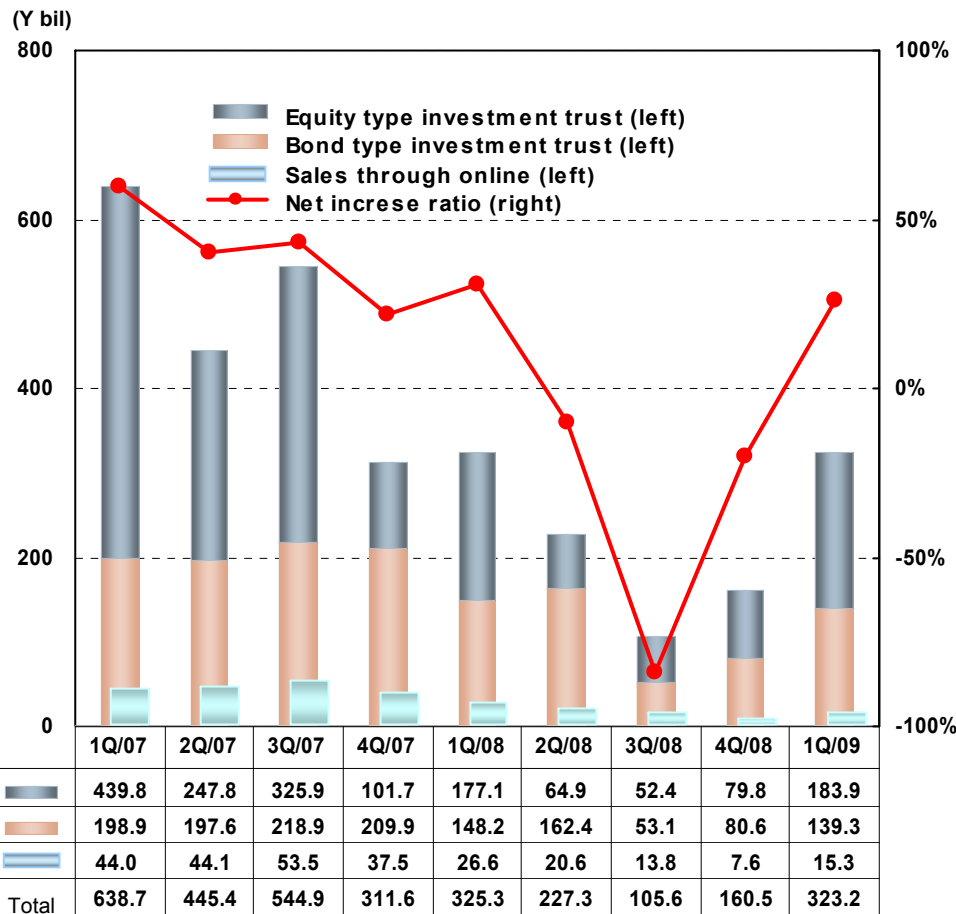
Note2: Bond type investment trust and equity type investment trust Include switching transaction between funds.

Retail - Daiwa Securities -

Equity Investment Trusts & Foreign Currency Denominated Bonds



Sales and Net Increase Ratio of Equity Investment Trusts

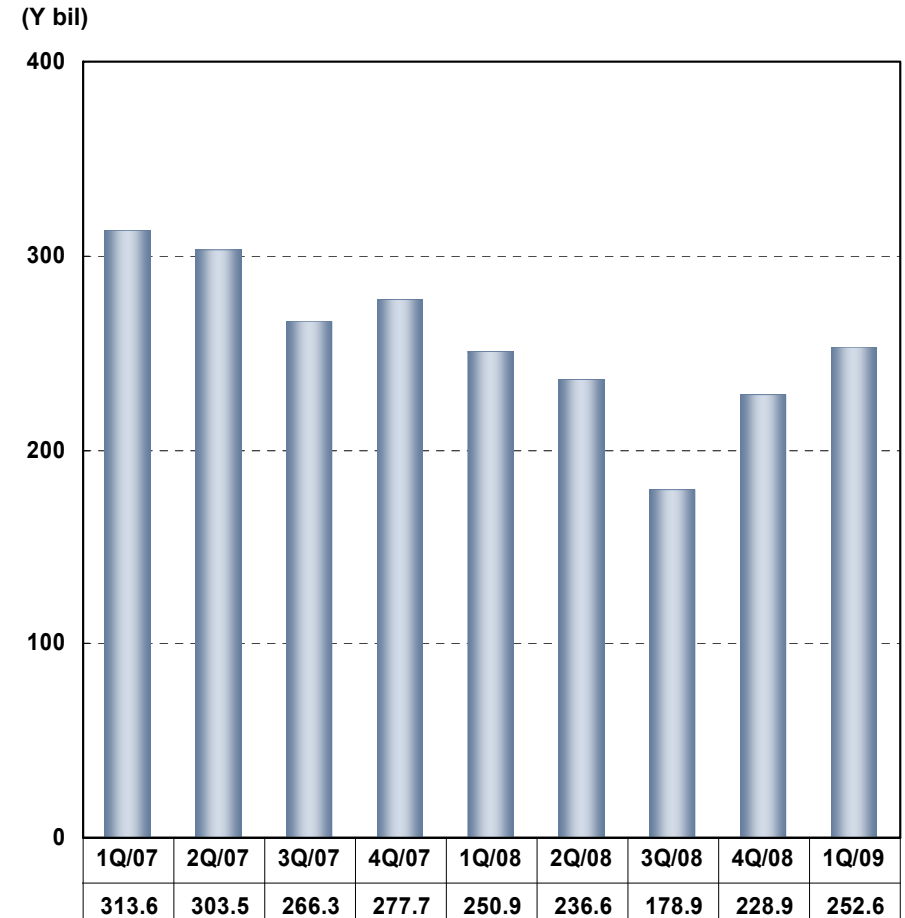


purchase - (sell-off + redemption)

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

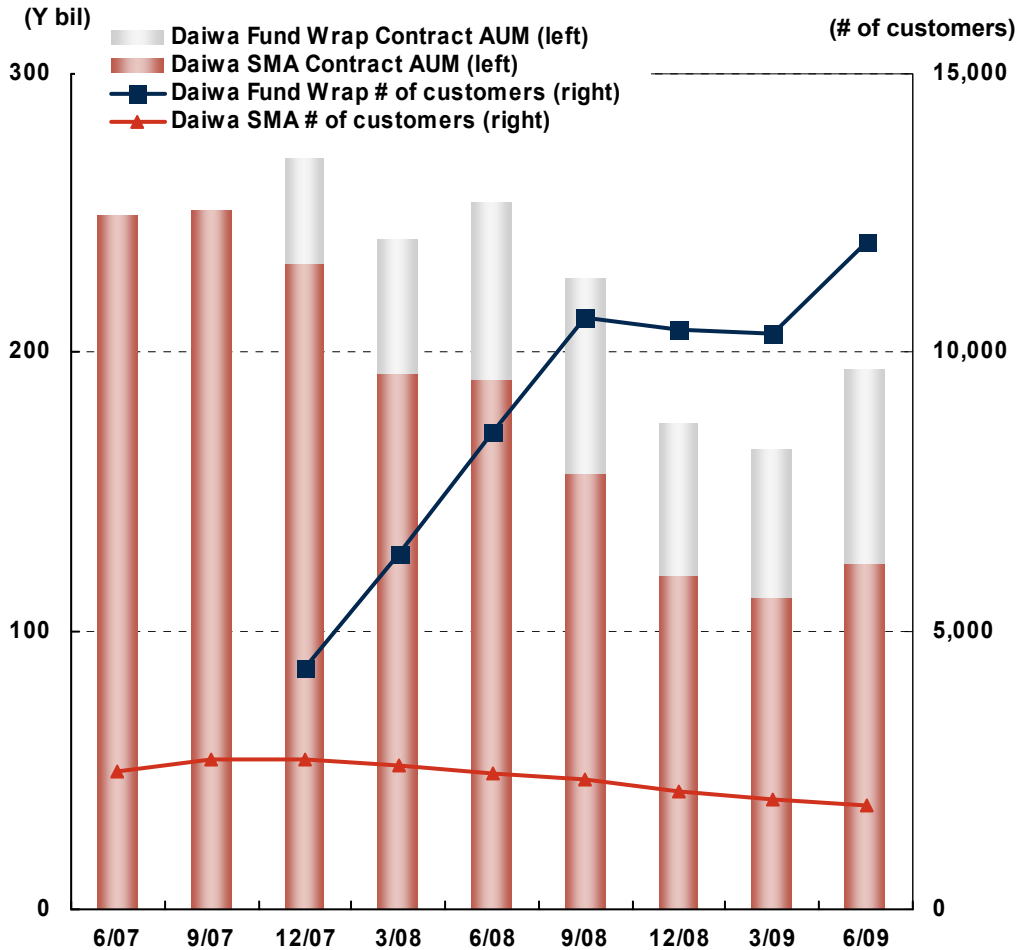


Note: Sales of publicly offered structured bonds were included from 4Q/07.

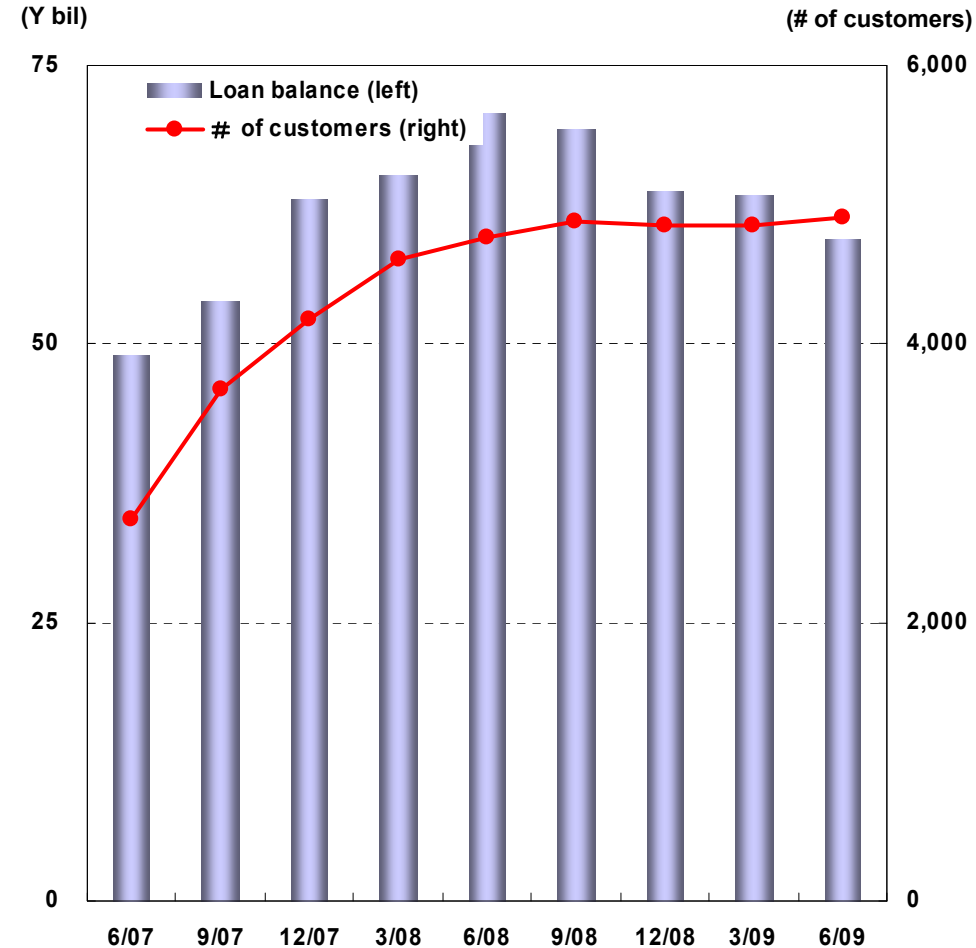
Retail - Daiwa Securities - Wrap Account Service & Daiwa LMS



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

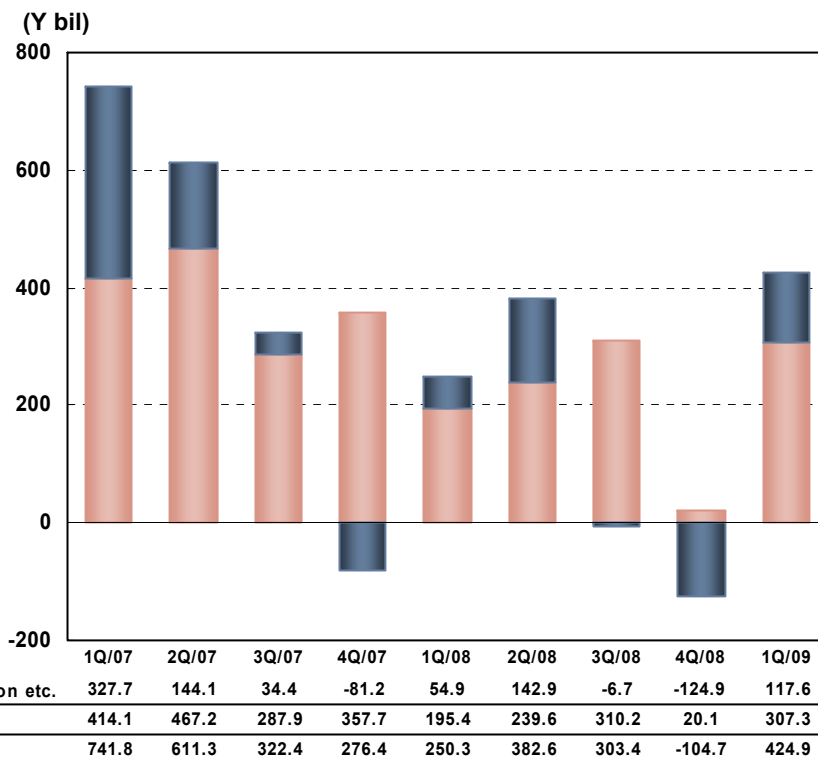


Daiwa LMS Loan Balance and
Number of Customers

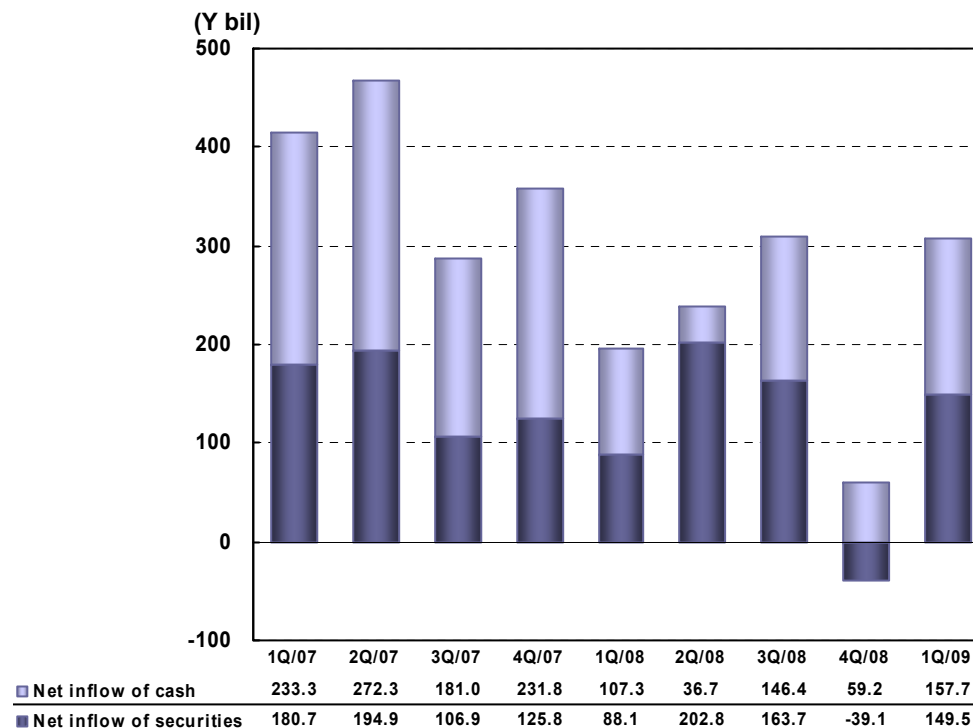


Retail - Daiwa Securities - Net Inflow of Retail Assets

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
	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09
CMS accounts (Cash Management Service)	2,862	2,900	2,933	3,022	3,088	3,144	3,222	3,244	3,285
Online trading accounts	1,665	1,699	1,729	1,818	1,885	1,941	2,016	2,048	2,089
"Daiwa Direct" accounts	734	762	788	876	947	1,004	1,072	1,107	1,151
"Daiwa Direct" margin transaction service accounts	34.0	34.7	35.4	35.9	36.7	36.9	37.1	37.7	38.4
"Daiwa FX" accounts	9.4	11.9	15.8	20.2	22.4	23.9	27.1	28.7	30.0
Accounts holding equity	1,243	1,259	1,263	1,284	1,287	1,306	1,376	1,384	1,401
Accounts holding equity investment trusts	642	653	671	680	688	687	674	670	674
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Newly opened accounts	66	54	49	107	84	72	105	51	56
"Daiwa Direct" Course	26	22	20	79	59	44	56	25	36

Wholesale - Daiwa Securities SMBC Consolidated - Highlights

- 1Q net operating revenues were Y54.9bil, and ordinary income was Y10.1bil.
- In 1Q lead manager league tables, Daiwa Securities SMBC ranked 1st for total equity due to the underwriting of large equity finance as a lead manager, and 3rd for total debt.
- Commissions were Y31.6bil, up 121% q/q, due to the significant increase in equity finance.
- 1Q M&A and other commissions were Y2.7bil, down 48% q/q, due to the decrease in M&A deals.
- Due to the normalized market and improved earnings environment, trading gains were Y22.2bil, up 26% q/q.
- Daiwa Securities SMBC Principal Investments and *Quantum Leaps* launched a joint venture; *Daiwa Quantum Capital Limited*.
- Decided the acquisition of Close Brothers Corporate Finance, a European M&A advisory firm, and aim to establish the global M&A advisory platform in four regions: Japan, the U.S., Europe and Asia.

Wholesale - Daiwa Securities SMBC Consolidated - Financial Summary

(Y mil)	FY2009	FY2008	% Change vs 4Q FY08	FY2008			% Change vs 1Q FY08	FY2008
	1Q	4Q		3Q	2Q	1Q		
Operating revenues	64,358	16,280	295.3%	-34,916	20,569	43,581	47.7%	45,514
Commissions	31,699	14,344	121.0%	16,028	12,623	13,288	138.5%	56,285
Brokerage commission	4,717	3,746	25.9%	4,221	4,815	5,431	-13.1%	18,214
Stock and others	4,688	3,697	26.8%	4,172	4,741	5,322	-11.9%	17,934
Underwriting commission	24,237	5,340	353.8%	7,846	3,299	4,263	468.5%	20,749
Stock and others	20,734	2,105	884.9%	5,599	899	1,263	—	9,868
Bond and others	3,405	3,119	9.2%	2,123	2,342	2,996	13.6%	10,581
Distribution commission	30	64	-52.7%	73	106	80	-62.5%	324
Other commissions (M&A and others)	2,713	5,192	-47.7%	3,887	4,402	3,513	-22.8%	16,996
Net gain/loss on trading	22,258	17,703	25.7%	-33,224	1,422	9,343	138.2%	-4,754
Equity	12,395	8,600	44.1%	-49,227	-9,259	18,381	-32.6%	-31,505
Bond and forex	9,862	9,103	8.3%	16,003	10,681	-9,037	—	26,750
Net gain/loss on private equity and other securities	919	-25,712	—	-34,726	-13,037	-1,715	—	-75,191
Interest and dividend income	9,380	9,783	-4.1%	17,008	18,943	22,664	-58.6%	68,399
Interest expenses	9,275	10,880	-14.8%	17,689	17,486	19,005	-51.2%	65,062
Net operating revenues	54,998	5,251	947.2%	-52,606	2,788	24,576	123.8%	-19,989
SG&A	45,692	35,875	27.4%	36,170	38,564	37,899	20.6%	148,510
Ordinary income	10,177	-29,505	—	-89,546	-35,943	-12,473	—	-167,468
Net income	10,135	-23,434	—	-78,933	-31,336	-11,254	—	-144,958

Wholesale - Daiwa Securities SMBC Consolidated - Breakdown of SG&A

(Y mil)	FY2009	FY2008	% Change vs 4Q FY08	FY2008			% Change vs 1Q FY08	FY2008
	1Q	4Q		3Q	2Q	1Q		
SG&A	45,692	35,875	27.4%	36,170	38,564	37,899	20.6%	148,510
Fees and commissions paid	17,829	9,703	83.7%	10,494	11,726	10,541	69.1%	42,465
Personnel costs	11,810	9,780	20.8%	10,629	10,507	11,000	7.4%	41,918
Real estate expenses	3,823	3,754	1.8%	3,702	4,734	4,685	-18.4%	16,877
Office expenses	5,633	5,838	-3.5%	5,825	5,920	5,864	-3.9%	23,449
Depreciation	4,426	4,581	-3.4%	3,681	3,699	3,858	14.7%	15,820
Taxes other than income taxes	1,147	781	46.7%	748	758	784	46.2%	3,073
Others	1,022	1,435	-28.8%	1,089	1,216	1,163	-12.2%	4,904

Wholesale - Daiwa Securities SMBC Consolidated - Major League Tables

Daiwa Securities SMBC 1Q FY2009 Lead Manager League Table

	Total debt		Total equity	IPO	Primary and secondary equity offerings	M&A	
		Corporate & Agency bonds				Transaction value	Number of deals
1st	Nomura	Nomura	Daiwa Sec.SMBC	Mizuho	Daiwa Sec.SMBC	Citigroup	Mizuho FG
	26.2%	28.3%	41.8%	76.7%	42.0%		
2nd	Mizuho	Mizuho	Nomura	Nomura	Nomura	Goldman Sachs	Nomura
	21.7%	23.4%	29.4%	16.7%	29.5%		
3rd	Daiwa Sec.SMBC	Daiwa Sec.SMBC	Goldman Sachs	Daiwa Sec.SMBC	Goldman Sachs	JP Morgan	GCA
	17.9%	18.3%	16.2%	6.6%	16.3%		
4th	Mitsubishi UFJ	Mitsubishi UFJ	Mizuho		Mizuho	Deutsche Bank	MUFG
	17.6%	16.9%	5.5%		5.2%		
5th	Nikko Citigroup	Nikko Citigroup	JP Morgan		JP Morgan	Caliburn Partnership	Daiwa Sec. SMBC
	6.6%	6.7%	4.2%		4.2%		

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11th: Daiwa Sec. SMBC

Source: Daiwa Securities SMBC Apr 2009-Jun 2009

Note: Total debt (straight bonds+agency bonds+samurai bonds+ municipal bonds+ Japan Housing Finance Agency RMBS) based on launch date.

(I-N Information Systems for ABS, excluding Dec 2008)

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-Jun 2009

"M&A advisory league table for any Japanese involvement announced (AD19)"

# Daiwa Securities SMBC Investment Banking (1)



## Major lead manager deals during 1Q (including joint lead issues)

|                                        |                                                    |                 |                        |                |
|----------------------------------------|----------------------------------------------------|-----------------|------------------------|----------------|
| <b>Straight Bonds</b>                  | Toyota Motor Corporation                           | Total Y130.0bil | NTT                    | Y70.0bil       |
|                                        | SMBC                                               | Y100.0bil       | Suntory Holdings       | Total Y70.0bil |
|                                        | Japan Tobacco                                      | Y100.0bil       | TEPCO                  | Total Y60.0bil |
|                                        | TOYOTA FINANCE                                     | Total Y100.0bil | SOFTBANK CORP.         | Y60.0bil       |
|                                        | DAIICHI SANKYO COMPANY                             | Total Y100.0bil | Kansai Electric Power  | Total Y60.0bil |
| <b>Agency Bonds</b>                    | JAPAN EXPRESSWAY HOLDING AND DEBT REPAYMENT AGENCY |                 |                        | Total Y50.0bil |
|                                        | Development Bank of Japan                          |                 |                        | Total Y80.0bil |
| <b>Equity Offerings (including CB)</b> | SMFG                                               |                 | Global public offering | Y923.0bil      |
|                                        | TOSHIBA CORPORATION                                |                 | Public offering        | Y333.0bil      |
| <b>Bonds</b>                           | European Investment Bank                           |                 | Global/Euro            | €2.75bil       |
|                                        | European Bank for Reconstruction and Development   |                 | Global/USD             | \$ 1.5bil      |
|                                        | African Development Bank                           |                 | Global/USD             | \$ 1.0bil      |
|                                        | Instituto de Credito Oficial                       |                 | Samurai bond           | Total Y50.0bil |
|                                        | Nederlandse Waterschapsbank N.V.                   |                 | Euroyen                | Total Y43.0bil |
|                                        | The Netherlands Development Finance Corporation    |                 | Samurai bond           | Y40.0bil       |

## Major lead manager deals during 1Q (including joint lead issues)

| Structured Finance                                                        |           |              |
|---------------------------------------------------------------------------|-----------|--------------|
|                                                                           | Issue     | Underwriting |
| ■ S2009-01 “Securitization of credit loan”                                | Y19.9bil  | Y19.9bil     |
| ■ The Japan Housing Finance Agency Secured Pass-through Bonds No.26       | Y47.6bil  | Y17.6bil     |
| ■ The Japan Housing Finance Agency Secured Pass-through Bonds No.S-14     | Y150.0bil | Y57.0bil     |
| ■ Softbank mobile Securitization of installment receivables Series 2009-6 | Y20.0bil  | Y10.0bil     |

## Major M&A publicly announced deals during 1Q

| M&A                                                                      |                                                       |                                  |
|--------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------|
|                                                                          | ■ Third-party allocation issued by Nippon Sheet Glass | ( Advisor to Nippon Sheet Glass) |
| ■ Nippon Paper Group made SHIKOKU COCA-COLA BOTTLING its 100% subsidiary | ( Advisor to Nippon Paper Group)                      |                                  |
| ■ Acquisition of Cecile by Fuji Media Service                            | ( Advisor to FUJI MEDIA HOLDINGS)                     |                                  |
| ■ Sales of tacmic-sp to tenma by ARRK                                    | ( Advisor to ARRK)                                    |                                  |



# Wholesale Daiwa Securities SMBC Principal Investments



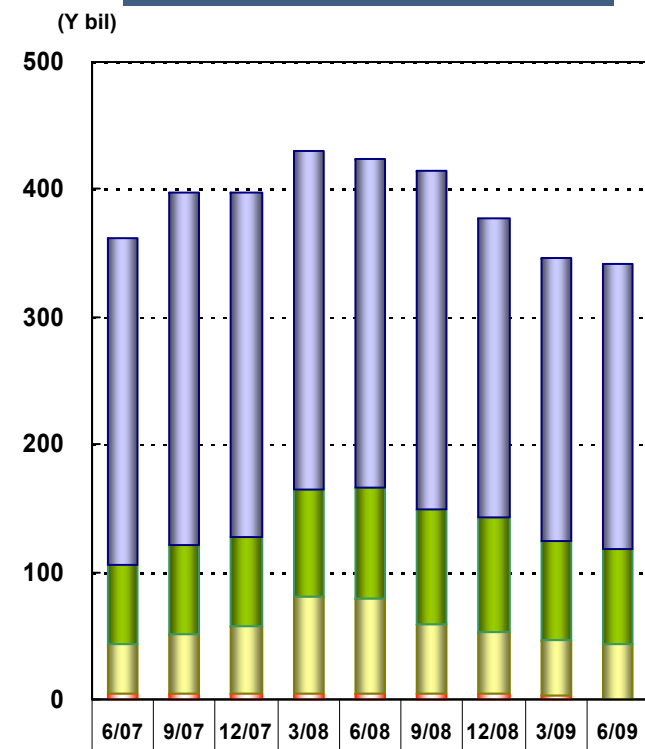
| (Y mil)         | FY2009 | FY2008  | % Change vs 4Q FY08 | FY2008  |         |        | % Change vs 1Q FY08 | FY2008  |
|-----------------|--------|---------|---------------------|---------|---------|--------|---------------------|---------|
|                 | 1Q     | 4Q      |                     | 3Q      | 2Q      | 1Q     |                     |         |
| Ordinary Income | -567   | -27,886 | —                   | -37,373 | -14,234 | -2,470 | —                   | -81,964 |

|                                                                      | As of 6/09              | (change vs 3/09)  |
|----------------------------------------------------------------------|-------------------------|-------------------|
| <b>Total investment amount:</b>                                      | <b>Approx. Y 342bil</b> | <b>( - Y5bil)</b> |
| Private equity and PIPEs<br>(Private Investment in Public Equities): | Y 224bil                | ( +Y1bil)         |
| Monetary claims:                                                     | Y 74bil                 | ( - Y3bil)        |
| Real estate:                                                         | Y 44bil                 | (±Y0bil)          |
| Greenhouse gas emission credits:                                     | —                       | ( - Y3bil)        |

## Recent Topics

- Greenhouse Gas Emission Reduction Credits**
  - The business operations related to the Greenhouse Gas Emission Reduction Credits have been transferred to Daiwa Securities SMBC to improve business efficiency.
- Investment Fund**
  - Launched Daiwa Quantum Capital Limited, a joint venture with Quantum Leaps. (Apr.09)

## Daiwa Securities SMBC PI Investment Amount



|                  | 6/07       | 9/07       | 12/07      | 3/08       | 6/08       | 9/08       | 12/08      | 3/09       | 6/09       |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| PE & PIPEs       | 257        | 277        | 270        | 265        | 258        | 265        | 234        | 223        | 224        |
| Monetary claims  | 62         | 69         | 69         | 85         | 87         | 90         | 90         | 77         | 74         |
| Real estate      | 38         | 48         | 54         | 76         | 74         | 55         | 48         | 44         | 44         |
| Emission credits | 5          | 4          | 4          | 4          | 5          | 4          | 5          | 3          | —          |
| <b>Total</b>     | <b>362</b> | <b>398</b> | <b>397</b> | <b>430</b> | <b>424</b> | <b>414</b> | <b>377</b> | <b>347</b> | <b>342</b> |

# Asset Management

## Daiwa Asset Management & Daiwa SB Investments

### Daiwa Asset Management

- 1Q operating revenues were Y14.5bil, up 13% q/q. Ordinary income was Y2.1bil, up 43% q/q.
- Newly launched “Daiwa RICI® Commodity Fund” which is linked to RICI (Rogers International Commodity Index), for Daiwa Securities.
- “High-grade Oceania Bond OP,” “Daiwa Brazil Real Bond OP,” “Brazil Bond OP” sold well.

### Daiwa SB Investments

- 1Q ordinary income was Y393mil.
- Contract assets for investment advisory at 6/09 were Y2.5tri, up from Y2.1tri at 3/09.

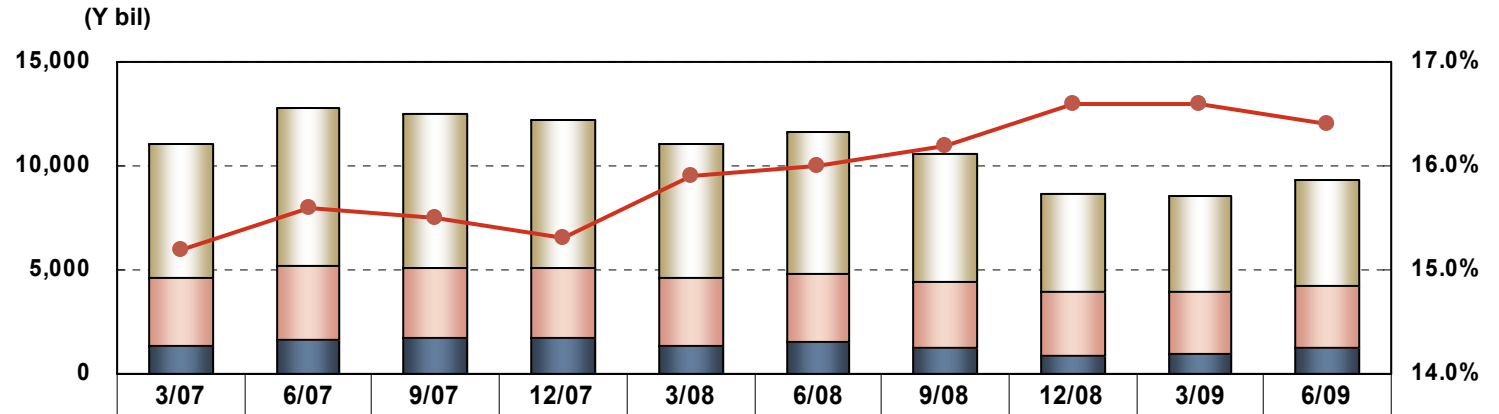
# Asset Management - Daiwa Asset Management - Financial Summary

| (Y mil)                  | FY2009        | FY2008 | % Change<br>vs<br>4Q FY08 | FY2008 |        |        | % Change<br>vs<br>1Q FY08 | FY2008 |
|--------------------------|---------------|--------|---------------------------|--------|--------|--------|---------------------------|--------|
|                          | 1Q            | 4Q     |                           | 3Q     | 2Q     | 1Q     |                           |        |
| Operating revenues       | <b>14,544</b> | 12,878 | <b>12.9%</b>              | 14,913 | 20,034 | 20,330 | <b>-28.5%</b>             | 68,157 |
| Management fee           | <b>14,445</b> | 12,807 | <b>12.8%</b>              | 14,841 | 19,922 | 20,193 | <b>-28.5%</b>             | 67,765 |
| Equity investment trust  | <b>13,948</b> | 12,183 | <b>14.5%</b>              | 13,744 | 18,660 | 18,934 | <b>-26.3%</b>             | 63,522 |
| Bond investment trust    | <b>497</b>    | 624    | <b>-20.2%</b>             | 1,097  | 1,262  | 1,259  | <b>-60.5%</b>             | 4,243  |
| Other operating revenues | <b>98</b>     | 70     | <b>39.4%</b>              | 71     | 111    | 137    | <b>-28.0%</b>             | 391    |
| SG&A                     | <b>12,375</b> | 11,298 | <b>9.5%</b>               | 12,674 | 15,921 | 16,086 | <b>-23.1%</b>             | 55,981 |
| Commissions paid         | <b>8,597</b>  | 7,676  | <b>12.0%</b>              | 8,775  | 11,925 | 12,034 | <b>-28.6%</b>             | 40,411 |
| Other SG&A               | <b>3,778</b>  | 3,622  | <b>4.3%</b>               | 3,898  | 3,996  | 4,052  | <b>-6.8%</b>              | 15,569 |
| Operating income         | <b>2,168</b>  | 1,579  | <b>37.3%</b>              | 2,239  | 4,112  | 4,244  | <b>-48.9%</b>             | 12,175 |
| Ordinary income          | <b>2,187</b>  | 1,532  | <b>42.8%</b>              | 1,831  | 3,886  | 4,363  | <b>-49.9%</b>             | 11,613 |
| Net income               | <b>1,177</b>  | 719    | <b>63.6%</b>              | 888    | 2,312  | 2,591  | <b>-54.6%</b>             | 6,513  |

# Asset Management Assets Under Management



## Assets Under Management of Publicly Offered Investment Trusts



|                               |       |       |       |       |       |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Daiwa AM (Equity funds)       | 6,388 | 7,584 | 7,361 | 7,138 | 6,504 | 6,893 | 6,080 | 4,754 | 4,602 | 5,125 |
| Daiwa AM (Bond funds)         | 3,277 | 3,560 | 3,351 | 3,409 | 3,206 | 3,278 | 3,226 | 3,010 | 2,992 | 3,022 |
| Daiwa SB Investments          | 1,360 | 1,648 | 1,764 | 1,695 | 1,386 | 1,494 | 1,235 | 894   | 925   | 1,206 |
| Daiwa Securities Group share* | 15.2% | 15.6% | 15.5% | 15.3% | 15.9% | 16.0% | 16.2% | 16.6% | 16.6% | 16.4% |

\* Daiwa Asset Management + Daiwa SB Investments

## Contract Assets for Investment Advisory

| (Y bil)              | 3/07  | 6/07  | 9/07  | 12/07 | 3/08  | 6/08  | 9/08  | 12/08 | 3/09  | 6/09  |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Daiwa SB Investments | 4,374 | 4,555 | 4,220 | 3,919 | 3,395 | 3,458 | 2,995 | 2,440 | 2,198 | 2,529 |

# Domestic Group Companies and Overseas Operation Ordinary Income

## Domestic Group Companies

| (Y mil)                        | FY2009       | FY2008       | %Change<br>vs<br>4Q FY08 | FY2008     |              |              | %Change<br>vs<br>1Q FY08 | FY2008        |
|--------------------------------|--------------|--------------|--------------------------|------------|--------------|--------------|--------------------------|---------------|
|                                | 1Q           | 4Q           |                          | 3Q         | 2Q           | 1Q           |                          |               |
| Daiwa Asset Management         | 2,187        | 1,532        | 42.8%                    | 1,831      | 3,886        | 4,363        | -49.9%                   | 11,613        |
| DIR Group*                     | 1,365        | 1,890        | -27.8%                   | 1,648      | 2,214        | 3,387        | -59.7%                   | 9,140         |
| Daiwa SMBC Capital             | -2,971       | -650         | —                        | -3,304     | -2,710       | 770          | —                        | -5,895        |
| Other Domestic Group Companies | 542          | -7           | —                        | -203       | -1,448       | -1,309       | —                        | -2,969        |
| <b>Total**</b>                 | <b>1,124</b> | <b>2,764</b> | <b>-59.3%</b>            | <b>-28</b> | <b>1,941</b> | <b>7,211</b> | <b>-84.4%</b>            | <b>11,889</b> |

|                      |     |    |        |     |       |       |        |       |
|----------------------|-----|----|--------|-----|-------|-------|--------|-------|
| Daiwa SB Investments | 393 | 87 | 348.5% | 645 | 1,136 | 1,114 | -64.7% | 2,984 |
|----------------------|-----|----|--------|-----|-------|-------|--------|-------|

## Overseas

|              |              |               |          |            |             |              |               |               |
|--------------|--------------|---------------|----------|------------|-------------|--------------|---------------|---------------|
| America      | 2,430        | -1,209        | —        | 3,772      | 1,121       | 1,122        | 116.6%        | 4,806         |
| Europe       | 2,874        | -1,260        | —        | -2,013     | -1,531      | -92          | —             | -4,898        |
| Asia/Oceania | 576          | -775          | —        | -792       | -347        | 361          | 59.4%         | -1,553        |
| <b>Total</b> | <b>5,881</b> | <b>-3,245</b> | <b>—</b> | <b>965</b> | <b>-757</b> | <b>1,391</b> | <b>322.6%</b> | <b>-1,645</b> |

\* 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 Securities SMBC and its domestic subsidiaries.

# Topics

## Daiwa Securities SMBC's acquisition of Close Brothers Corporate Finance

### Acquisition of CBCF, a European M&A advisory firm

- Acquisition method: Acquired all outstanding shares through Daiwa Securities SMBC Europe Limited
- Acquisition value: GBP75mil (approx. Y10.8bil)
- Operational bases: London, Manchester, Paris, Lyon, Frankfurt, Madrid, Barcelona, Zurich
- Employees: Approx. 230 (as of Dec 31, 2008)



## Acquisition of all outstanding shares of K.K. daVinci Select and subscription for third party allocation shares issued by DA Office Investment Corporation

### Entry to real estate asset management business, newly adding a J-REIT asset management company to the group affiliates

- Acquired all outstanding shares of K.K. daVinci Select, the asset management company for DA Office Investment Corporation
- Changed its business name to Daiwa Real Estate Asset Management from K.K. daVinci Select on July 1, 2009
- Subscription for third party allocation issued by DAO (total issuing value of Y10bil)



## Issuance of new shares and secondary offering of shares by way of sale of treasury shares

### Offering Structure

- Number of Shares offered : 402.5mil shares (Newly issued 350mil shares (including the sales of treasury shares) + O.A. 52.5mil shares)
- Issue Price: Y516 per share (Calculated based on discount rate of 3.01% from Y532 as of July 8, 2009)
- Total Offering amount : Y207.6bil

# Reference



# Equity Market Share

|                                                                                                            | FY2007 |       |       |       | FY2008 |       |       |       | FY2009 |
|------------------------------------------------------------------------------------------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|
|                                                                                                            | 1Q     | 2Q    | 3Q    | 4Q    | 1Q     | 2Q    | 3Q    | 4Q    | 1Q     |
| <b>Market data</b>                                                                                         |        |       |       |       |        |       |       |       |        |
| Average daily trading value in TSE, OSE, and NSE; (Y bil)                                                  | 2,963  | 3,015 | 2,817 | 2,746 | 2,465  | 2,202 | 1,825 | 1,395 | 1,671  |
| Share of individual investors; (%)                                                                         | 19.2   | 17.8  | 17.9  | 15.3  | 18.1   | 15.2  | 18.3  | 19.8  | 24.0   |
| <b>Market share in Tokyo Stock Exchange; (%)</b>                                                           |        |       |       |       |        |       |       |       |        |
| Daiwa Securities Group (on and off floor)                                                                  | 6.6    | 6.1   | 6.2   | 5.9   | 6.2    | 6.4   | 8.1   | 8.6   | 7.7    |
| Daiwa Securities (on and off floor)                                                                        | 1.0    | 0.9   | 0.8   | 0.7   | 0.9    | 0.6   | 0.8   | 0.8   | 1.1    |
| Daiwa Securities SMBC<br>(on and off floor)                                                                | 5.6    | 5.2   | 5.3   | 5.2   | 5.3    | 5.8   | 7.3   | 7.8   | 6.8    |
| (out of hours and off floor)                                                                               | 11.6   | 10.7  | 12.6  | 9.6   | 11.7   | 9.9   | 13.5  | 14.9  | 15.0   |
| <b>Share of Daiwa Securities (retail) among individual investor transactions at TSE, OSE, and NSE; (%)</b> |        |       |       |       |        |       |       |       |        |
| Daiwa Securities / TSE, OSE, NSE                                                                           | 4.6    | 4.6   | 4.5   | 4.2   | 4.6    | 4.2   | 4.5   | 4.1   | 4.7    |
| <b>Daiwa Securities equity commission rate; (bp)</b>                                                       |        |       |       |       |        |       |       |       |        |
| Commission rate*                                                                                           | 41     | 40    | 37    | 36    | 36     | 36    | 40    | 40    | 39     |

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



# Wholesale - Daiwa Securities SMBC Unconsolidated - Financial Summary

| (Y mil)                            | FY2009        | FY2008  | %Change<br>vs<br>4Q FY08 | FY2008  |         |        | %Change<br>vs<br>1Q FY08 | FY2008  |
|------------------------------------|---------------|---------|--------------------------|---------|---------|--------|--------------------------|---------|
|                                    | 1Q            | 4Q      |                          | 3Q      | 2Q      | 1Q     |                          |         |
| Operating revenues                 | <b>51,408</b> | 38,063  | <b>35.1%</b>             | -6,997  | 27,022  | 36,268 | <b>41.7%</b>             | 94,356  |
| Commissions                        | <b>24,154</b> | 13,571  | <b>78.0%</b>             | 14,856  | 10,777  | 10,704 | <b>125.7%</b>            | 49,910  |
| Brokerage commission               | <b>3,096</b>  | 2,912   | <b>6.3%</b>              | 3,096   | 3,407   | 3,646  | <b>-15.1%</b>            | 13,063  |
| Stock and others                   | <b>3,035</b>  | 2,873   | <b>5.6%</b>              | 3,059   | 3,382   | 3,615  | <b>-16.0%</b>            | 12,931  |
| Underwriting commission            | <b>16,619</b> | 5,357   | <b>210.2%</b>            | 7,874   | 3,184   | 3,457  | <b>380.6%</b>            | 19,874  |
| Stock and others                   | <b>13,116</b> | 2,134   | <b>514.6%</b>            | 5,631   | 804     | 459    | —                        | 9,029   |
| Bond and others                    | <b>3,405</b>  | 3,107   | <b>9.6%</b>              | 2,120   | 2,321   | 2,995  | <b>13.7%</b>             | 10,545  |
| Distribution commission            | <b>30</b>     | 64      | <b>-52.7%</b>            | 73      | 106     | 80     | <b>-62.5%</b>            | 324     |
| Other commissions (M&A and others) | <b>4,408</b>  | 5,237   | <b>-15.8%</b>            | 3,812   | 4,079   | 3,519  | <b>25.3%</b>             | 16,648  |
| Net gain/loss on trading           | <b>18,648</b> | 15,223  | <b>22.5%</b>             | -35,315 | 1,829   | 7,579  | <b>146.0%</b>            | -10,682 |
| Equity                             | <b>11,150</b> | 7,881   | <b>41.5%</b>             | -50,022 | -9,919  | 17,545 | <b>-36.4%</b>            | -34,515 |
| Bond and forex                     | <b>7,497</b>  | 7,342   | <b>2.1%</b>              | 14,706  | 11,749  | -9,965 | —                        | 23,833  |
| Interest and dividend income       | <b>8,604</b>  | 9,268   | <b>-7.2%</b>             | 13,461  | 14,415  | 17,984 | <b>-52.2%</b>            | 55,129  |
| Interest expenses                  | <b>8,611</b>  | 9,622   | <b>-10.5%</b>            | 13,811  | 13,728  | 15,976 | <b>-46.1%</b>            | 53,139  |
| Net operating revenues             | <b>42,796</b> | 28,441  | <b>50.5%</b>             | -20,809 | 13,293  | 20,292 | <b>110.9%</b>            | 41,217  |
| SG&A                               | <b>36,490</b> | 30,367  | <b>20.2%</b>             | 28,496  | 32,906  | 31,227 | <b>16.9%</b>             | 122,997 |
| Ordinary income                    | <b>7,042</b>  | -1,225  | —                        | -49,859 | -19,605 | -5,210 | —                        | -75,900 |
| Net income                         | <b>5,377</b>  | -10,428 | —                        | -40,605 | -15,212 | -3,502 | —                        | -69,748 |
| Capital adequacy ratio             | <b>384.9%</b> | 343.9%  | —                        | 374.1%  | 352.3%  | 348.2% | —                        | 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)

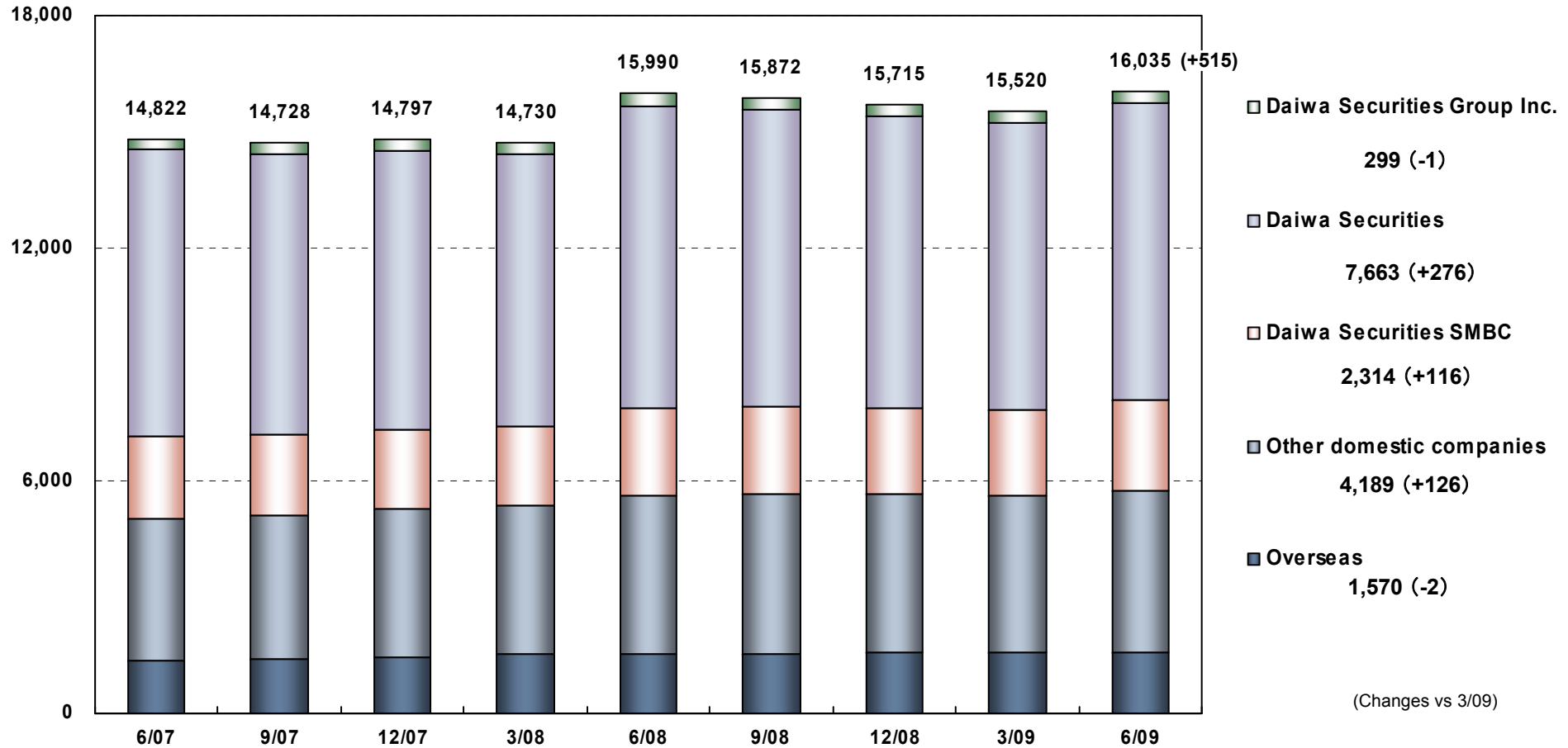
| (Y bil)         |         | 6/07 | 9/07 | 12/07 | 3/08 | 6/08 | 9/08 | 12/08 | 3/09 | 6/09 |
|-----------------|---------|------|------|-------|------|------|------|-------|------|------|
| VaR (Month end) |         | 1.95 | 2.60 | 2.78  | 2.72 | 3.16 | 2.65 | 1.83  | 3.89 | 1.77 |
| Quarterly       | High    | 4.10 | 5.79 | 3.89  | 3.01 | 4.56 | 2.75 | 9.95  | 7.99 | 4.08 |
|                 | Low     | 1.28 | 1.50 | 2.02  | 1.71 | 2.09 | 1.30 | 1.41  | 1.39 | 1.77 |
|                 | Average | 1.91 | 2.75 | 2.90  | 2.32 | 2.95 | 2.10 | 3.16  | 3.18 | 2.89 |

(By risk factors)

|           |      |      |      |      |      |      |      |      |      |
|-----------|------|------|------|------|------|------|------|------|------|
| Equity    | 1.24 | 1.78 | 1.65 | 1.57 | 1.44 | 0.59 | 0.67 | 0.89 | 0.89 |
| Interest  | 1.51 | 1.23 | 1.93 | 1.78 | 3.73 | 2.87 | 1.29 | 2.75 | 1.24 |
| Currency  | 0.54 | 1.28 | 1.48 | 1.61 | 1.03 | 1.39 | 0.75 | 2.88 | 1.28 |
| Commodity | 0.17 | 0.00 | 0.00 | 0.04 | 0.02 | 0.00 | 0.01 | 0.24 | 0.01 |

# Number of Group Employees

(# of employees)



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

## Contact

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