

May 1, 2018

Press Release

Daiwa Securities Group Inc.

Notice of Introduction of Restricted Stock Compensation Plan

Attention

This document is an unofficial translation of a press release announced on April 27, 2018 by Daiwa Securities Group Inc. The original press release is in Japanese.

Daiwa Securities Group Inc. (“the Company”) hereby announces that its Compensation Committee resolved at a meeting to revise the remuneration system for the Company’s directors and corporate executive officers and to introduce the Restricted Stock Compensation Plan (“this Plan”).

1. Purpose of Introduction of this Plan

This Plan will be introduced to increase incentives for the Company’s directors, corporate executive officers, and executive officers, etc. (“Eligible Officers, etc.”) in order to enhance performance in the medium and long term and strengthen values shared among the Eligible Officers, etc. and shareholders.

After introduction of this Plan, the stock options which have been granted to the Eligible Officers, etc., with an exercise price of 1 yen, will not be issued.

2. Overview of this Plan

This Plan consists of “Stock Compensation Plan I” and “Stock Compensation Plan II”.

“Stock Compensation Plan I” will grant Restricted Stock (“RS”), the value of which corresponds to a certain percentage of basic compensation. The transfer restriction will be removed after the Eligible officer, etc., resigns from any post of director and corporate executive officer, etc., of the Company and the Company’s subsidiaries and affiliates, in order to function as an incentive to enhance long-term performance.

“Stock Compensation Plan II” will set an upper limit on performance-based cash compensation, and the part of the cash compensation which exceeds the upper limit will be replaced by the grant of RS. The transfer restriction period of the RS is 3 years and RS will function as deferral compensation when performance-based cash compensation exceeds the upper limit.

The Eligible Officers, etc., shall pay as property contributed in kind all the monetary compensation claims paid from the Company based on this Plan, and received the issuance or disposal of common shares of the Company (RS). The monetary compensation for the Company's directors and corporate executive officers will be determined by the Compensation Committee of the Company.

When issuing and disposing common stocks of the Company for this Plan, the Company will execute contracts for granting RS, which will be separately made by the Company with the Eligible Officers, etc.

- * Stock options granted for employees of the Company and the Company's subsidiaries and affiliates, and directors and corporate executive officers, etc. of the Company and the Company's subsidiaries and affiliates, excluding the Eligible Officers, etc., will continue to be issued. The details of the stock options plan (see "Notice Regarding Granting Stock Options Utilizing Stock Acquisition Rights") will be released today.

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