June 1, 2012

Daiwa Securities Group Inc.

Report Regarding Situation of Soundness in Management as of March 31, 2012

In accordance with the Financial Instruments and the Exchange Act Article 57-17, "Notification, etc. of Documents Describing Status of Soundness in Management", Daiwa Securities Group Inc. reports situation of soundness in management as of March 31, 2012.

Qualitative Disclosure (Consolidated)

1. Scope of Consolidation

A). Discrepancy in the scope of consolidation defined under consolidated financial statement reported and that for consolidated capital adequacy ratio calculation.

Not applicable.

B). Number of consolidated subsidiaries, and company names and businesses of major consolidated subsidiaries.

Number of consolidated subsidiaries: 60 companies

Company Name	Business
Daiwa Securities Co. Ltd. (*Note1*)	Securities related business
	Investment advisory and agency business
Daiwa Securities Capital Markets Co. Ltd. (*Note1*)	Securities related business
Daiwa Asset Management Co. Ltd.	Investment management business
	Investment advisory and agency business
Daiwa Institute of Research Holdings Ltd.	Integration and management of subsidiaries
Daiwa Institute of Research Ltd.	Information Service
Daiwa Securities Business Center Co. Ltd.	Back office operation
Daiwa Property Co., Ltd.	Lending and borrowing of real estates
Daiwa Corporate Investment Co., Ltd.	Venture capital business
Daiwa Institute of Research Business Innovation	Information Service
Daiwa Next Bank, Ltd.	Banking business
Daiwa Securities SMBC Principal Investments Co.	Principal investment business
Daiwa PI Partners Co. Ltd.	Principal investment business
Daiwa Real Estate Asset Management Co., Ltd.	Investment management business
	Investment advisory and agency business
Daiwa Office Investment Corporation	Investment in specified assets
Daiwa Capital Markets Europe Limited	Securities related business
Daiwa Capital Markets Asia Holding B.V.	Integration and management of subsidiaries
Daiwa Capital Markets Hong Kong Limited	Securities related business
Daiwa Capital Markets Singapore Limited	Securities related business
Daiwa Capital Markets America Holdings Inc.	Integration and management of subsidiaries
Daiwa Capital Markets America Inc.	Securities related business

(Note 1) Daiwa Securities Co. Ltd and Daiwa Securities Capital Markets Co. Ltd merged on April 1, 2012 as Daiwa Securities Co. Ltd.

C). Number of affiliated companies engage in financial activities, company names, and core businesses of major affiliated companies that engaged in financial activities under the provision of Article 9 of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA.

No company is subject to proportionate consolidation methods.

D). Number of companies subject to the deduction, the names of major companies, and main businesses subject to the capital deduction specified under the provision of Article 8 Paragraph 1 (ii), (a)-(c) of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA.

Number of companies subject to the deductions: 25 companies

Company Name	Business
Daiwa Asset Management(India) Private Limited	Investment management and advisory business

E). Overview of the restrictions on the transfer of funds and regulatory capital within Group companies

There is no specific restriction set forth regarding the transfer of funds and regulatory capital within Group companies.

2. Overview of Capital Instruments

The Group's capital is consisted of common stock and subordinated debts with defined maturity

Capital Instruments	Balance
Common Stock	1,749 Million Shares
Subordinated Bonds	57.1 Billion Yen
Subordinated Loans	45.6 Billion Yen

3. Overview of Capital Adequacy Assessment Methods

The Group set forth “The Rules of Economic Capital Management” and “The Rules of Regulatory Capital Management”, and assesses capital adequacy from economic capital as well as regulatory capital point of views.

<Economic Capital>

The Group sets economic capital allocation amount after reserving capital buffer adequately resists financial stress under Tier 1 capital, and accordingly allocates such capital toward major Group companies.

In assessing the capital adequacy, the Group monitors capital requirements based on the aggregated level of each Group company against the economic capital allocated to them

Economic capital allocated toward major companies is set with reflecting historical risk amount, business plans, budget, and others are considered. Capital adequacy is assessed by confirming and quantifying if the risk amount held by the Group companies as a result of their business activities falls with in the range of allocated capital.

<Regulatory Capital>

The Group monitors regulatory capital against the alert level which is set well above the minimum regulatory capital ratio.

4. Credit Risk

A). Overview of risk management policies and procedures

<Credit Risk Management Policy >

In regard to transactions that involve exposure to credit risk, before the transaction is made, the Group assigns the counterparty a credit limit based on its credit rating. Subsequently, the Group carefully monitors the notional amount and the credit equivalent amount. In particular, in the wholesale business where the exposure to credit risk is comparatively high, the Group assigns credit limit based on the probability of failure of each counterparty and expected recovery rate of the transaction. The probability of failure is estimated via internal model and expected recovery rate is from the transaction conditions such as the maturity, collaterals and legal enforceability of the agreement. In addition, the Group measures and periodically monitors credit VaR at the portfolio level.

<Allowance for Doubtful Account>

In order to prepare for the loss from bad debts on loan and others, allowance for doubtful accounts is provided for probable losses on loans and receivables, based on the actual historical default rate for normal claims, and based on individually assessed amounts for doubtful and default loans.

<Calculation of Credit Risk Asset>

Credit risk exposures are being calculated in the Standardized Approach

B). The Name of the external credit assessment institutions (hereunder ECAIs) used when determining the risk weight

Following ECAIs are used to determine the risk weight

Rating & Investment Information, Inc.
Japan Credit Rating Agency, Ltd.
Moody's Investors Service, Inc.
Standard & Poor's Rating Services

5. Overview of Policy and Procedure for the Credit Risk Mitigation Techniques

Collateral is used for the Credit Risk Mitigation techniques (hereunder CRM Techniques) purpose. Types of collaterals are generally cash or high liquid securities. Received collateral is valued mark to market daily and monitored against exposures. In addition, balance and type of collaterals taken are also subject to the monitoring. For derivative and repo transactions, bilateral netting agreements are generally set. For transaction where legally enforceable bilateral netting arrangement exists, the CRM Techniques are applied.

The Group uses the Comprehensive Approach for the CRM Techniques.

6. Overview of Policies and Procedures for the Counterparty Credit Risk Management of Derivative and Long Settlement Transactions

For derivative transactions, credit review of counterparty is conducted in advance, and credit limit is assigned when the credit soundness is confirmed. Exposure amount and collateral value are calculated and compared daily; accordingly, collateral is pledged or accepted. Likewise, for long settlement transactions, credit review of counterparty is required and transaction can only be conducted if the credit limit is assigned.

Credit limits of the counterparty are reviewed periodically. In addition, for uncollateralized exposures, allowance amount is calculated based upon allowance percentage that is set in accordance with the Group's internal credit rating and maturity of transaction.

Risk capital is allocated based upon the credit VaR, and reviewed semiannually. Upon the time when own credit rating downgraded, additional collateral will be required. The Group carefully monitors the additional collateral amount and accordingly, such amount falls into the allowable level.

7. Securitization Exposures

A). Overview of risk management policies and nature of other risks

The Group is involved in securitization transactions as an investor, and accordingly holds securitization products under investment and trading accounts.

Outstanding exposures and credit soundness of securitization products are periodically monitored by independent risk control departments.

B). Overview of monitoring systems and situation of its operations

Periodical monitoring of securitization exposures are being conducted in order to adequately grasp comprehensive risk characteristics of securitization exposures including risk characteristics of underlying asset, performance related information of underlying assets, and the scheme of the securitization transaction.

C). Policies when securitization transactions are used for CRM Techniques purpose

Not applicable.

D). Method of calculating credit risk asset

The Standardized Approach is used in order to calculate credit risk amount.

E). Method of calculating market risk amount

For general market risk, the internal model is used, for specific risk, the standardized approach is used.

F).Engagement to the securitization transaction through Special Purpose Entity, if applied type of SPE and the exposure.

Trust and Special Purpose Company are used as SPEs, and the securitization exposure is partially owned and treated on balance.

G). The name of the Group company that holds securitization exposure when securitization transaction is engaged by the subsidiary of Group company (excluding consolidated subsidiaries) and affiliated Group company (including securitization transaction engaged by the Group through SPEs).

Not applicable

H). Accounting policy applied for the securitization transaction.

The Group complies with Accounting Standard Board of Japan Statement No. 10, “Accounting Standard for Financial Instruments” in recognizing, evaluating, and booking the occurrence or extinguishment of financial assets or liabilities related to securitization transactions.

I). ECAIs used when determining the risk weight

Following ECAIs are used in order to determine the risk weight for the securitization exposures

Rating & Investment Information, Inc.
Japan Credit Rating Agency, Ltd.
Moody’s Investors Service, Inc.
Standard & Poor’s Rating Services
Fitch Ratings Ltd.

J). Overview when the Group uses the Internal Assessment Approach

Not applicable

K). Overview if significant change in quantitative information is observed

Not applicable

8. Market Risk

A). Overview of risk management policies and procedures

Under the Group's trading position, with considering soundness in financial outstanding and business plan, and budget, limits on VaR, position, and sensitivity are set. The Group's Risk Management Department monitors market risk and accordingly reports to the managements daily.

Back testing is being conducted in order to verify accuracy of VaR model. In addition, so as to support VaR which have calculated based upon given time horizon and statistical hypothesis, stress test is conducted by applying historical and hypothetical stress events as a scenario.

B). Methods used for calculation of market risk

i. Internal Models Approach

General market risk for Daiwa Securities Capital Markets, and foreign subsidiaries.

ii. Standardized Approach

Specific risk
General market risk that is not included in above query "i."

C). The method in order to adequately evaluate price in accordance with characteristics of the product/ transaction, with recognizing the assumed holding period and the inability to close the positions within the period.

The Group' sets forth the policies and operational manual regarding valuation. The independent risk control department from the department which engages with trading businesses carefully analyzes and reviews the relevancy of value and valuation method, and such results are periodically reviewed by the external audit

D). Overview and the explanation of internal model and explanation of back-testing and stress test

The Group uses VaR as well as Stressed VaR in which indicates maximum potential loss under stress period. In addition, in order to test accuracy of VaR, the Group conducts back-testing so as to reconcile VaR against actual profit and loss. Likewise, stress test is conducted in order to grasp possible loss incurred as a result of historical and hypothetical stress event.

E). Overview of the model used when incremental risk is measured by internal model.

Not applicable

F). Overview of the model used when comprehensive risk is measured by internal model.

Not applicable

G). Assumptions and the methods in internal capital adequacy assessment of market risk.

Historical simulation model that uses historical market scenario are used. Assumptions of historical simulation model are stated as followings:

- Holding Period: 10 business days
- Observation Period: 520 business days
- Confidence Level: 99%

(Note 2) As for March 2012, observation holding period as for VaR calculation has changed from a 1 day holding period scaled up to 10 days to a 10 days holding period.

9. Operational Risk

A). Risk management policies and procedures

As the Group's business becomes more sophisticated, diversified, and systemized, the accompanying risks become more varied, and as a result the need to manage such operational risk grows each year. The Group's major subsidiary companies engage in RCSA (Risk Control Self Assessment) in compliance with operational risk management rule, and adequately manage operational risk. In addition, due to the diversifying nature of its business, the Group also sets rigid rules concerning authority, automates office work processes to reduce human error, prepares business manuals, and takes other necessary measures. Each Group company strives to reduce operational risk according to the nature of its own business.

B). Methods for the calculation of operational risk amount

The Basic Indicator Approach is used for the calculation of operational risk amount

10. Overview of Risk Management Policy and Procedure for Equity Exposure on Non Trading Accounts

The Group holds financial instruments for non trading businesses such as principal investments business, venture capital business, and investment securities for the business relationship. Because those financial instruments have specific risk profiles for each product, the Group conducts adequate credit as well as market risk managements including measurement of risk by the profile.

For the consolidated subsidiaries, the scopes of the risk management are assets and liabilities. For the affiliated companies, the scopes of the risk management are equity exposures. Those are subject to the risk management in each classification.

Also, marketable available-for-sale securities are stated at their fair values based on quoted market consolidated closing prices (the unrealized gain or loss is fully recognized, and the cost of products sold is mainly pursuant to moving average method). Non-marketable available-for-sale securities are carried at cost by moving average method.

11. Interest Rate Risk under Non Trading Accounts

A). Overview of risk management policies and procedures

In regard to non trading accounts of the Group, most interest rate risk arises from the assets and liabilities held by Daiwa Next Bank, Ltd.

Daiwa Next Bank, Ltd. complies with management rules of market risk and manages the risk of incurring losses from changes in the value of assets and liabilities or in the net incomes.

Middle and back offices, which are independent from front office, are set, and it acts as a system of checks and balances. In addition, the ALM committee is periodically held and discussed regarding the management and operation of market and liquidity risks as well as the management of assets, liabilities, and capital efficiencies.

B). Overview of management's method for measuring interest rate risk under non trading accounts

i. Financial assets and liabilities (exclude financial assets and liabilities held by subsidiaries engaged in the banking business)

Financial assets and liabilities that are resulted by interest rate risk are bonds and notes and long-term borrowings. The change in fair value is calculated under assumption of changes in interest rate for 10 basis points (0.1%).

ii. Financial assets and liabilities held by subsidiaries engaged in the banking business

For the financial assets and liabilities in the subsidiaries engaged in the banking business, market risk amount is measured in a change of economic value used the 99^{th} percentile of observed interest rate changes using a year holding period and 5 years of observations. It is used for quantitative analysis to manage risk of change in an interest rate. For calculating the amount of changes, the balances of the financial assets and liabilities are classified in each period. The changes of interest rate in each period are applied.

Quantitative Disclosure (Consolidated)

1.The Name of Company and Aggregate Amount of Capital Falls Below the Regulatory Capital Ratio with in the Scope of the Capital Deduction Specified Under the Provision of Article 8 Paragraph 1 (ii) (a)–(c) of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA.

Not applicable.

2. Capital Structure

（Unit: 100 Million Yen）

		Mar 31, 2012
Tier 1 (A)		9,040
	Common stock	2,474
	Capital surplus	2,307
	Retained earnings	3,460
	Minority interests in consolidated subsidiaries and affiliates	1,638
	Step up and redeemable preferred stock	-
	Subscription rights to shares	54
	Foreign currency translation adjustments	△405
	Treasury stock (△)	227
	Planned distributions（△）	51
	Valuation losses on available-for-sale securities（△）	-
	Goodwill（△）	210
	Goodwill derived from acquisitions（△）	-
	Intangible assets acquired from mergers（△）	-
	Capital increased by securitization transactions（△）	-
	（Internal Ratings Based (IRB) Approach）50% of expected losses in excess of qualified allowance（△）	-
	Deduction for deferred tax assets	-
Tier 2 (B)		471
Tier 3 (C)		579
Deductions (D)		348
Total qualifying capital (E = A + B + C - D)		9,742
Total risk-weighted assets (F)		35,545
	Credit risk	17,918
	Market risk	10,141
	Operational risk	7,487
Capital adequacy ratio (E/F)		27.4%

(Note 3) Market and Operational Risk hereunder is computed by multiplying each risk amount by 12.5 (the Reciprocal of 8%)

3. Capital Adequacy

Capital requirements for credit risk

（Unit: 100 Million Yen）

	Capital requirements
On-balance transactions	1,050
1.Cash	-
2.Japanese government and central bank	-
3.Non-Japanese sovereign and central bank	6
4.Bank for International Settlement (BIS)	-
5.Japanese local public authorities	-
6.Non-Japanese public sector entities (excluding sovereign)	1
7.Multilateral development banks (MDBs)	-
8.Japan Finance Organization for Municipalities (JFM)	0
9.Japanese government sponsored entities	17
10.Three major local public corporations of Japan	0
11.Financial institutions and securities firms	114
12.Corporates	238
13.SMEs and individuals	-
14.Residential mortgage loans	-
15.Projects including acquisition of real estate properties	5
16.Past due exposures for three months or more	1
17.Cash items in process of collection	-
18.Exposures secured by Credit Guarantee Association in Japan	-
19.Exposures secured by Enterprise Turnaround Initiative Corporation of Japan	-
20.Equities	152
21.Others	405
22.Securitizations (as an originator)	-
23.Securitizations (not as an originator)	6
24.Funds	105
Off-balance transactions	383
1.Unconditionally or automatically cancellable commitments	-
2.Commitments with an original maturity up to one year	-
3.Short-term self-liquidating trade letters of credit arising from the movement of goods	-
4.Certain transaction-related contingent items	-
5.Note issuance facilities (NIFs) and revolving underwriting facilities (RUFs)	-
6.Commitments with an original maturity over one year	-
7.Commitments related IRB Approach	-
8.Direct credit substitutes and acceptances	4
9.Sale and repurchase agreements and asset sales with recourse	-
10.Forward asset purchases, forward forward deposits and partly-paid shares and securities	-
11.Lending or posting of securities as collateral	122
12.Derivative transactions	255
13.Long settlement transactions	1
14.Unsettled transactions	1
15. Securitization exposure qualifies as an ‘eligible liquidity facility’ or an ‘eligible servicer cash advance facility’	-
16.Others (Securitization off-balance transactions)	-
Total capital requirements for credit risk	1,433

(Note 4) Credit risk exposures are being calculated in the Standardized Approach, hence there is no applicable credit risk exposure in which calculated under IRB approach.

Capital requirements for market risk

（Unit: 100 Million Yen）

	Capital requirements
Standardized Approach	533
Interest rate risk	410
Equity risk	107
Foreign exchange risk	16
Commodities risk	1
Option transactions	-
Internal Models Approach	278
Total capital requirements for market risk	811

Capital requirements for operational risk

（Unit: 100 Million Yen）

	Capital requirements
Basic indicator approach	599
Standardized approach	-
Advanced measurement approach	-
Total capital requirements for operational risk	599

Capital adequacy ratio and Tier 1 capital ratio

	Ratios
Capital adequacy ratio	27.4%
Tier 1 capital ratio	25.4%

Total capital requirements

（Unit: 100 Million Yen）

	Capital requirements
Credit risk	1,433
Market risk	811
Operational risk	599
Total capital requirements	2,844

4. Credit Risk Exposures (excluding exposures under IRB approach and securitization exposures)

Exposures by geographical area, industry, and residual contractual maturity

（Unit: 100 Million Yen）

	Credit risk exposures						Past due exposures for three months or more
		Loans	Repo	Derivatives	Securities	Others (Note5)	
Japan	130,053	913	49,540	43,034	17,894	18,671	8
Overseas	66,094	1	61,576	1,578	33	2,905	4
Total (by area)	196,146	914	111,117	44,612	17,926	21,577	12
Sovereign	25,682	-	7,709	486	11,285	6,201	0
Financial institutions	118,563	-	72,183	39,928	417	6,035	1
Corporates	39,991	227	31,224	4,197	2,754	1,589	11
Individuals	1,961	687	-	0	-	1,274	-
Others	9,949	-	-	-	3,471	6,478	-
Total (by industry)	196,146	914	111,117	44,612	17,926	21,577	12
≦1year	103,588	756	98,608	1,125	117	2,983	
＞1year≦3years	2,097	1	-	1,301	794	-	
＞3year≦5years	19,960	0	-	19,557	403	-	
＞5year≦7years	28,742	-	-	19,557	9,185	-	
＞7year	4,370	1	-	3,071	1,298	-	
Indeterminate	37,389	155	12,509	-	6,130	18,594	
Total (by maturity)	196,146	914	111,117	44,612	17,926	21,577	

(Note 5) Including deposits, properties and equipments, intangible assets.

Year-end balance of general and specific allowances for credit loss, and allowances to specific foreign obligations

（Unit: 100 Million Yen）

	Geographic area	Mar 31, 2012	Against Mar 31, 2011
General allowance		2	△ 30
Specific allowance	Japan	372	△ 54
	Overseas	0	△0
Allowance to specific foreign obligations		-	-
	Industry	Mar 31, 2012	Against Mar 31, 2011
General allowance		2	△ 30
Specific allowance	Sovereign	-	-
	Financial institutions	-	-
	Corporates	10	3
	Individuals	0	△0
	Others	363	△ 57
Allowance to specific foreign obligations		-	-

Loan write-offs by industry

Not applicable.

Exposure by risk weight after Credit Risk Mitigation (CRM) techniques

（Unit: 100 Million Yen）

Risk weight	Exposure amounts		
		Application of external rating	Others
0%	15,411	511	14,900
10%	2,213	-	2,213
20%	18,870	18,671	200
35%	6	-	6
50%	2,592	2,592	0
75%	-	-	-
100%	11,578	365	11,214
150%	15	2	13
Others	2,410	-	2,410
Capital deduction	-	-	-
Total	53,095	22,140	30,955

5. Credit Risk Mitigation (CRM) Techniques

Exposure for which CRM Techniques are applied

（Unit: 100 Million Yen）

	Exposure amounts
Cash	61,182
Debts	47,848
Equities	2,793
Mutual funds	-
Eligible Financial Collateral Total	111,823
Guarantees	-
Credit derivatives	-
Guarantees and Credit Derivatives Total	-

6. Counterparty Risk for Derivative Transactions and Long Settlement Transactions

The credit-equivalent amounts are calculated by applying the Current-Exposure method.

（Unit: 100 Million Yen）

		Gross replacement cost	Gross add-on	Credit equivalent amounts
	Foreign exchanges	4,933	5,977	10,911
	Interest rates	17,120	7,925	25,045
	Equities	2,401	3,269	5,670
	Other commodities	3	5	8
	Credit derivatives	391	2,607	2,997
Total (A)		24,848	19,782	44,631
Benefit through close-out netting agreements (B)				31,073
Credit equivalent amounts after netting (C=A-B)				13,557
Credit risk mitigation benefits (D)				2,727
	Cash			1,230
	Debts			1,402
	Equities			95
	Mutual funds			-
Credit equivalent amounts after netting and CRM benefits (C-D)				10,830

Notional amount of credit derivatives subject to the calculation of the credit equivalent amounts

（Unit: 100 Million Yen）

Credit derivatives type	Notional amounts	
	Protection bought	Protection sold
Credit default swaps	15,862	17,056

Notional amount of credit derivatives used for CRM purpose

Not applicable

7. Securitization Exposures

A). Securitization exposures for calculating Credit Risk Asset as an originator

Not applicable

B). Securitization exposures for calculating Credit Risk Asset as an investor

i. Underlying assets

(Unit: 100 Million Yen)

Underlying assets	Exposure amounts		Capital deduction	
		Resecuritization		Resecuritization
Loans and receivables	322	33	-	-
Real estates	1	-	-	-
Equities	-	-	-	-
Others	22	-	22	-
Total	345	33	22	-

ii. Exposures balance and capital requirements by risk weight

(Unit: 100 Million Yen)

Risk weight	Exposure amounts		Capital requirements	
		Resecuritization		Resecuritization
≦20%	289	-	5	-
＞20%≦50%	33	33	1	1
＞50%≦100%	1	-	0	-
＞100%≦350%	-	-	-	-
＞350%≦1250%	-	-	-	-
Capital deduction	22	-	22	-
Total	345	33	28	1

iii. The presence of resecuritized exposures subject to the CRM method, and the breakdown by guarantor or by the risk weight segments of guarantors.

Not applicable

C). Securitization exposures for calculating Market Risk as an originator

Not applicable

D). Securitization exposures for calculating Market Risk Asset as an investor

i. Underlying asset

(Unit: 100 Million Yen)

Underlying assets		Exposure amounts		Capital deduction	
			Resecuritization		Resecuritization
	Loans and receivables	63	-	0	-
	Real estates	4	-	-	-
	Equities	0	-	-	-
	Others	0	-	-	-
Total		67	-	-	-

ii. Exposure balance and capital requirements by risk weight

(Unit: 100 Million Yen)

Risk weight		Exposure amounts		Capital requirements	
			Resecuritization		Resecuritization
	≦3.2%	63	-	1	-
	＞3.2%≦8%	4	-	0	-
	＞8%≦18%	-	-	-	-
	＞18%≦52%	-	-	-	-
	＞52%≦100%	-	-	-	-
	Capital deduction	0	-	0	-
Total		67	-	1	-

iii. The total amount of securitization exposures subject to the comprehensive risk calculation.

Not applicable

8. Market Risk

Internal Models Approach Value at Risk (VaR) Results

(Calculation Method)
Historical Simulation Method
(Assumption)
Holding period: 10 business days and a 99% Confidence level

（Unit: 100 Million Yen）

	VaR (From Jan. 2012 to Mar. 2012)	Stressed VaR (From Jan. 2012 to Mar. 2012)
Mar 31, 2012	35	60
Maximum	55	85
Average	36	57
Minimum	23	32

(Reference）Holding Period: 1 business day

Confidence level: 99%

（Unit: 100 Million Yen）

	VaR (From Apr. 2011 to Mar. 2012)	Stressed VaR (From Oct. 2011 to Mar. 2012)
Mar 31, 2012	14	22
Maximum	37	39
Average	16	25
Minimum	9	18

Excess number of back-testing	0 time

(Note 6) Back-Testing

Comparing VaR for a one day holding period with daily profit and loss is conducted in order to verify accuracy of VaR model.

Excess number of back testing is a number of times that losses are exceeded VaR over a giver holding period.

9. Equity Exposure on Non Trading Accounts

A). Booking and market values on consolidated balance sheet

（Unit: 100 Million Yen）

	Consolidated balance sheet amount	Market value
Listed equity exposure	1,182	1,182
Others	717	

(Note 7) Investment related equity exposure for which it is difficult to obtain market value is not included hereby.

B).Gains and losses from sales and write-offs on equity exposures

（Unit: 100 Million Yen）

	Gains on sales	Losses on sales	Write-offs
Equity exposure	71	40	25

C). Unrealized gains or losses recognized on the consolidated balance sheet and not on the consolidated income statement

（Unit: 100 Million Yen）

	Unrealized gains / losses
Unrealized gains or losses recognized on the consolidated balance sheet and not on the consolidated income statement	296

(Note 8) Only securities in which have adequate market values are disclosed hereby.

D). Unrealized gains or losses not recognized on the consolidated balance sheet and the consolidated income statement

Not applicable

E). Equity exposure amounts which are subject to the Supplementary Provision Article 6 of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA, and which are sectioned by portfolio

Not applicable

10. Credit Risk Exposure Calculation Which Set Forth under Article 144 of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA is applied.

Not applicable

11. Gain or Loss in Earnings or Economic Value (or Relevant Measure Used by Management) for Upward and Downward Rate Shocks According to Management's Method for Measuring Interest Rate Risk under Non Trading Accounts.

Interest rate risk under non trading accounts

i. Financial asset and liability except for which possessed by the Group companies that transact banking business under assumption of change in interest rate for 10 basis point (i.e. 0.1%), we anticipate that the market value of assets or liabilities to change approximately 1.3 billion yen.

ii. Financial asset and liability which held by the Group companies that engage banking business for the Group companies that engages banking business, in relation to its financial assets and liability, with applying 99% confidence adverse interest rate change, we anticipate economic value of 4.1 billion yen to decrease with assuming all risk factors except for interest rate are constant.

End