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2Q/Interim FY07 Earnings Results - Reference Data -

October 26, 2007

Daiwa Securities Group Inc.

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Consolidated Breakdown of Operating Revenues



(Y mil)	FY2007		%Change vs 1Q FY07	FY2006			FY2007	FY2006	%Change vs 1H FY06	FY2006
	2Q	1Q		4Q	3Q	2Q	1H	1H		
Equity	22,930	24,528	-6.5%	28,569	23,895	19,658	47,459	46,521	2.0%	98,986
Brokerage commission	22,473	24,034	-6.5%	28,040	23,416	19,334	46,508	45,604	2.0%	97,061
Others	457	493	-7.3%	528	478	323	950	917	3.6%	1,925
Fixed income	609	562	8.3%	660	504	756	1,171	1,501	-22.0%	2,666
Brokerage commission	302	168	79.7%	185	143	141	471	365	28.9%	693
Others	306	393	-22.2%	475	361	615	700	1,135	-38.4%	1,972
Investment trust	33,826	37,181	-9.0%	32,006	26,430	23,703	71,007	48,470	46.5%	106,906
Brokerage commission	114	71	60.0%	97	61	58	186	158	17.7%	317
Distribution commission	8,895	13,606	-34.6%	11,345	8,161	7,576	22,501	17,703	27.1%	37,210
Management fee	24,816	23,502	5.6%	20,563	18,206	16,068	48,319	30,608	57.9%	69,378
Agency commission	12,075	11,382	6.1%	10,140	9,367	8,424	23,458	16,202	44.8%	35,711
Investment banking	10,798	11,376	-5.1%	14,481	33,711	17,351	22,175	26,792	-17.2%	74,985
Underwriting commission	6,421	7,435	-13.6%	9,737	25,093	12,559	13,857	19,238	-28.0%	54,068
Equity	4,139	4,166	-0.6%	6,657	22,301	10,181	8,306	14,551	-42.9%	43,510
Bond	2,189	3,152	-30.6%	2,858	2,619	1,869	5,342	3,928	36.0%	9,406
Distribution commission	781	1,215	-35.7%	323	219	269	1,997	767	160.3%	1,309
Others (M&A commission etc.)	3,595	2,725	31.9%	4,421	8,399	4,522	6,321	6,786	-6.9%	19,607
Others	6,397	6,227	2.7%	5,771	5,736	5,640	12,624	11,682	8.1%	23,190
Total commission	74,562	79,875	-6.7%	81,489	90,278	67,110	154,438	134,968	14.4%	306,736
Gain/loss on equity trading	-4,150	19,380	-	8,159	10,902	-5,336	15,230	12,226	24.6%	31,288
Gain/loss on bond and forex trading	28,591	27,368	4.5%	38,885	26,317	43,170	55,960	60,841	-8.0%	126,044
Bond	44,175	-22,129	-	22,171	1,154	27,188	22,045	25,366	-13.1%	48,693
Forex	-15,583	49,498	-	16,713	25,162	15,982	33,914	35,475	-4.4%	77,351
Total gain/loss on trading	24,440	46,749	-47.7%	47,044	37,219	37,833	71,190	73,068	-2.6%	157,332

Daiwa Securities Breakdown of SG&A



(Y mil)	FY2007		%Change vs 1Q FY07	FY2006			FY2007	FY2006	%Change vs 1H FY06	FY2006
	2Q	1Q		4Q	3Q	2Q	1H	1H		
SG&A	39,363	41,981	-6.2%	40,644	39,128	37,505	81,344	74,897	8.6%	154,670
Fees and commissions paid	7,038	6,053	16.3%	5,649	5,190	5,282	13,091	10,680	22.6%	21,520
Personnel costs	17,426	20,883	-16.6%	19,481	19,009	18,844	38,309	38,002	0.8%	76,493
Real estate expenses	5,198	4,853	7.1%	6,779	6,543	5,145	10,051	9,801	2.6%	23,124
Office expenses	5,638	5,301	6.4%	5,061	4,942	5,191	10,940	10,300	6.2%	20,304
Depreciation	2,835	2,579	9.9%	2,618	2,416	2,169	5,415	4,190	29.2%	9,225
Taxes other than income taxes	322	458	-29.7%	355	304	306	781	693	12.6%	1,353
Others	904	1,850	-51.1%	698	721	565	2,755	1,227	124.5%	2,647

Daiwa Securities SMBC - Consolidated - Breakdown of SG&A



(Y mil)	FY2007		%Change vs 1Q FY07	FY2006			FY2007	FY2006	%Change vs 1H FY06	FY2006
	2Q	1Q		4Q	3Q	2Q	1H	1H		
SG&A	40,781	40,859	-0.2%	43,013	48,424	42,452	81,641	78,354	4.2%	169,793
Fees and commissions paid	15,706	14,356	9.4%	17,395	22,006	18,380	30,062	29,966	0.3%	69,368
Personnel costs	10,896	12,597	-13.5%	12,197	12,610	11,026	23,493	22,886	2.7%	47,694
Real estate expenses	3,599	3,500	2.8%	3,699	3,576	3,519	7,100	6,675	6.4%	13,951
Office expenses	5,358	5,123	4.6%	4,845	4,337	4,461	10,482	8,785	19.3%	17,969
Depreciation	3,322	3,063	8.5%	3,008	2,966	2,972	6,386	5,861	9.0%	11,836
Taxes other than income taxes	918	1,059	-13.2%	993	1,624	1,005	1,977	1,988	-0.6%	4,607
Others	978	1,159	-15.6%	873	1,302	1,084	2,137	2,190	-2.4%	4,366

Daiwa Securities SMBC - Unconsolidated - Financial Summary



(Y mil)	FY2007		%Change vs 1Q FY07	FY2006			FY2007	FY2006	%Change vs 1H FY06	FY2006
	2Q	1Q		4Q	3Q	2Q	1H	1H		
Operating revenues	40,523	58,894	-31.2%	64,232	70,941	58,872	99,417	105,535	-5.8%	240,709
Commissions	15,652	16,044	-2.4%	19,826	35,451	22,366	31,697	37,356	-15.1%	92,633
Brokerage	4,582	5,216	-12.2%	5,605	4,982	4,366	9,799	9,314	5.2%	19,902
Stock and others	4,545	5,186	-12.4%	5,567	4,956	4,333	9,731	9,242	5.3%	19,767
Underwriting	6,306	6,423	-1.8%	8,248	22,810	11,213	12,730	17,254	-26.2%	48,314
Stock and others	3,925	3,597	9.1%	5,381	20,217	8,872	7,522	12,636	-40.5%	38,235
Bond and others	2,288	2,710	-15.6%	2,645	2,420	1,832	4,998	3,860	29.5%	8,926
Distribution	312	541	-42.3%	393	349	337	853	505	68.9%	1,248
Other commissions (M&A and others)	4,451	3,863	15.2%	5,577	7,308	6,449	8,314	10,281	-19.1%	23,168
Net gain/loss on trading securities	10,158	29,810	-65.9%	32,087	22,725	26,271	39,969	48,458	-17.5%	103,271
Stock and others	-7,282	14,595	-	4,271	7,338	-8,123	7,312	5,689	28.5%	17,298
Bond, forex and others	17,441	15,214	14.6%	27,816	15,387	34,395	32,656	42,769	-23.6%	85,972
Interest and dividend income	14,711	13,039	12.8%	12,318	12,764	10,234	27,751	19,721	40.7%	44,804
Interest expenses	13,712	11,595	18.2%	11,946	10,810	8,884	25,308	16,033	57.8%	38,789
Net operating revenues	26,811	47,298	-43.3%	52,286	60,131	49,988	74,109	89,501	-17.2%	201,919
SG&A	33,304	33,652	-1.0%	36,052	42,087	37,483	66,956	67,963	-1.5%	146,103
Ordinary income	-6,461	21,434	-	16,333	18,363	22,572	14,972	36,294	-58.7%	70,992
Net income	-4,214	15,398	-	6,392	10,569	12,689	11,183	22,907	-51.2%	39,869
Capital adequacy ratio	369.7%	414.5%	-	465.3%	458.1%	478.8%	369.7%	478.8%	-	465.3%

Domestic Group Companies & Overseas Operation

1H FY2007 (Y mil, y/y % Chg)	Daiwa Securities		Daiwa Securities SMBC (consolidated)		Overseas	
Net operating revenues	121,687	12.3%	101,772	-13.8%	27,785	7.2%
SG&A	81,344	8.6%	81,641	4.2%	25,863	11.8%
Operating income	40,342	20.7%	20,131	-49.4%	1,922	-30.9%
Ordinary income	40,455	20.8%	21,829	-47.5%	2,905	-0.7%
Group holdings (as of September 30, 2007)	100.0%		60.0%		-	

1H FY2007 (Y mil, y/y % Chg)	Daiwa Asset Management		Daiwa SB Investments		Daiwa Institute of Research		NIF SMBC Ventures	
Operating revenues	41,823	64.2%	13,262	47.7%	50,921	15.6%	2,079	-27.9%
Ordinary income	9,580	67.6%	3,292	60.7%	5,084	5.4%	-405	-
Group holdings (as of September 30, 2007)	100.0%		44.0%		100.0%		46.3%	

- Overseas figure is the sum of overseas divisions of Daiwa Securities Group and Daiwa Securities SMBC.
- Operating revenues of Daiwa Institute of Research is based on amount of sales.
- Operating revenues of NIF SMBC Ventures is based on unconsolidated gross profit.

Equity Market Share

	FY2005				FY2006				FY2007	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Market data										
Average daily trading value in TSE, OSE, and NSE; (Y bil)	1,356	1,891	2,972	3,053	2,752	2,265	2,477	3,224	2,963	3,029
Share of individual investors; (%)	24.2	28.4	30.8	29.1	22.8	21.9	20.8	21.4	19.2	17.8
Market share in Tokyo Stock Exchange; (%)										
Daiwa Securities Group (on and off floor)	8.3	7.1	6.6	6.5	7.2	7.1	7.1	6.6	6.6	6.1
Daiwa Securities (on and off floor)	1.0	1.3	1.5	1.5	1.2	1.1	1.1	1.2	1.0	0.9
Daiwa Securities SMBC										
(on and off floor)	7.3	5.8	5.1	5.0	6.1	6.0	6.1	5.4	5.6	5.2
(out of hours and off floor)	17.1	12.2	12.5	10.9	13.7	11.7	11.6	10.8	11.6	10.7
Share of Daiwa Securities (retail) among individual investor transactions at TSE, OSE, and NSE; (%)										
Daiwa Securities / TSE, OSE, NSE	3.7	4.4	4.9	4.9	4.8	4.5	4.6	5.0	4.6	4.6
Daiwa Securities equity commission rate; (bp)										
Commission rate*	64	53	51	47	44	40	43	41	41	40

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

Daiwa Securities Number of Accounts



(# of Thousand Accounts)	FY2005				FY2006				FY2007	
	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07
CMS accounts (Cash Management Service)	2,539	2,568	2,631	2,695	2,726	2,755	2,783	2,819	2,862	2,900
Online trading accounts	1,323	1,359	1,421	1,487	1,521	1,551	1,579	1,616	1,656	1,699
"Daiwa Direct" accounts	457	492	536	586	613	634	661	700	734	762
"Daiwa Direct" margin transaction service accounts	8.6	14.3	19.7	25.9	28.3	29.9	31.0	32.8	34.0	34.7
Accounts holding equity	1,193	1,186	1,196	1,227	1,228	1,236	1,242	1,246	1,243	1,259
Accounts holding equity investment trusts	515	521	540	565	579	593	604	622	642	653
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Newly opened accounts	54	53	75	84	60	48	52	57	66	54
"Daiwa Direct" Course Accounts	19	22	33	39	22	17	19	26	26	22

Daiwa Securities SMBC Customer Assets



(Y bil)	FY2005				FY2006				FY2007	
	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07
Equity	10,382	11,942	14,163	13,931	13,333	13,476	14,181	14,661	15,059	14,523
Bond	8,905	8,564	8,560	8,279	8,111	8,821	8,984	10,575	10,312	10,985
Investment trust	942	992	1,042	1,035	1,076	1,028	1,066	1,039	955	984
Others	1,138	919	925	783	968	1,235	1,255	625	825	1,271
Total	21,369	22,418	24,691	24,029	23,489	24,562	25,488	26,901	27,154	27,765
Customer assets of Daiwa Securities held under custody at Daiwa Securities SMBC	4,929	5,140	5,288	5,258	5,276	5,360	5,660	5,977	6,199	6,274

Daiwa Securities SMBC Investment Banking (1)



Major lead manager deals during 2Q (including joint lead issues)

Straight Bonds	Japan Tobacco	Total Y150bil	Heiwa Real Estate	Y 20bil
	TEPCO	Total Y150bil	Sagami Railway	Y 20bil
	Mitsubishi Heavy Industries	Total Y 80bil	Meiji Seika Kaisha	Y 20bil
	SMBC	Y 50bil	The Chugoku Electric Power	Y 10bil
	Daiwa Securities Group Inc.	Y 50bil	Sumitomo Corporation	Y 10bil
	J-POWER	Y 30bil	NEC Leasing	Y 10bil
	Shikoku Electric Power	Y 30bil	Hanwa	Y 10bil
	Osaka Gas	Y 20bil	Toho Gas	Y 10bil
	Hankyu Hanshin Holdings	Y 20bil	KOKUYO	Y 10bil
	ORIX Corporation	Y 20bil	Anritsu Corporation	Y 10bil
	The Kansai Electric Power	Y 20bil	Pocketcard	Y 9bil
Agency Bonds	Japan Expressway Holding and Debt Repayment Agency			Y 70bil
	Kansai International Airport			Total Y 20bil

Daiwa Securities SMBC Investment Banking (2)



Major lead manager deals during 2Q (including joint lead issues)

Equity Offerings (including CB)	Snow Brand Milk Products	Primary offering	Y 13.2bil
	Shinko Shoji	Primary & Secondary offering	Y 5.2bil
	Senko	Overseas CB	Y 5bil
	SHiDAX CORPORATION	Primary offering	Y 3.9bil
	Noel	Primary offering	Y 1.6bil
	Umenohana	Primary offering	Y 1.4bil
IPOs	China Boqi Environmental Solutions Technology		Y 22.1bil
	KITO CORPORATION		Y 21.9bil

Overseas underwriting issues during 2Q

※Currency rate as of the end of 9/07

Equity (including POWL)	China Boqi Environmental Solutions Technology (TSE 1 st Section)	Primary & Secondary offering	Y 22bil
Bonds	National Australia Bank	Samurai bond	Total Y 50bil
	Telefónica S.A.	Samurai bond	Total Y 30bil
	Republic of Tunisia	Samurai bond	Y 30bil
	Canadian Imperial Bank of Commerce	Euro/USD bond	Y 11bil

Daiwa Securities SMBC Investment Banking (3)



Major lead manager deals during 2Q (including joint lead issues)

Structured Finance			Issue	Underwriting
	<ul style="list-style-type: none"> ■ SMBC Series 15 RMBS <Lead manager> ■ The Japan Housing Finance Agency Secured Pass-through Bonds No.6 <Co-Lead manager> ■ OMC Card Trust 2007- II <Lead manager> ■ The Bank of Yokohama Series 6 RMBS <Lead manager> ■ CF Auto Loan Trust Series 6 <Lead manager> ■ ORIX JREIT Series 4 PO <Co-Lead manager> ■ Japan Logistics Fund Series 3 PO <Co-Lead manager> 			

Major M&A deals during 2Q

M&A	<ul style="list-style-type: none"> ■ Mitsukoshi and Isetan merged and established a holding company "Isetan Mitsukoshi Holdings". Both companies became subsidiaries under the holding company. <Adviser to Mitsukoshi> ■ Asahi Enterprise, a 100% subsidiary of Promise, made Sanyo Shinpan Finance their 100% subsidiary. <Adviser to Asahi Enterprise> ■ Mitsui Fudosan acquired 33.22% of issued shares of Imperial Hotel. <Adviser to Imperial Hotel >
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Range and assumption of VaR

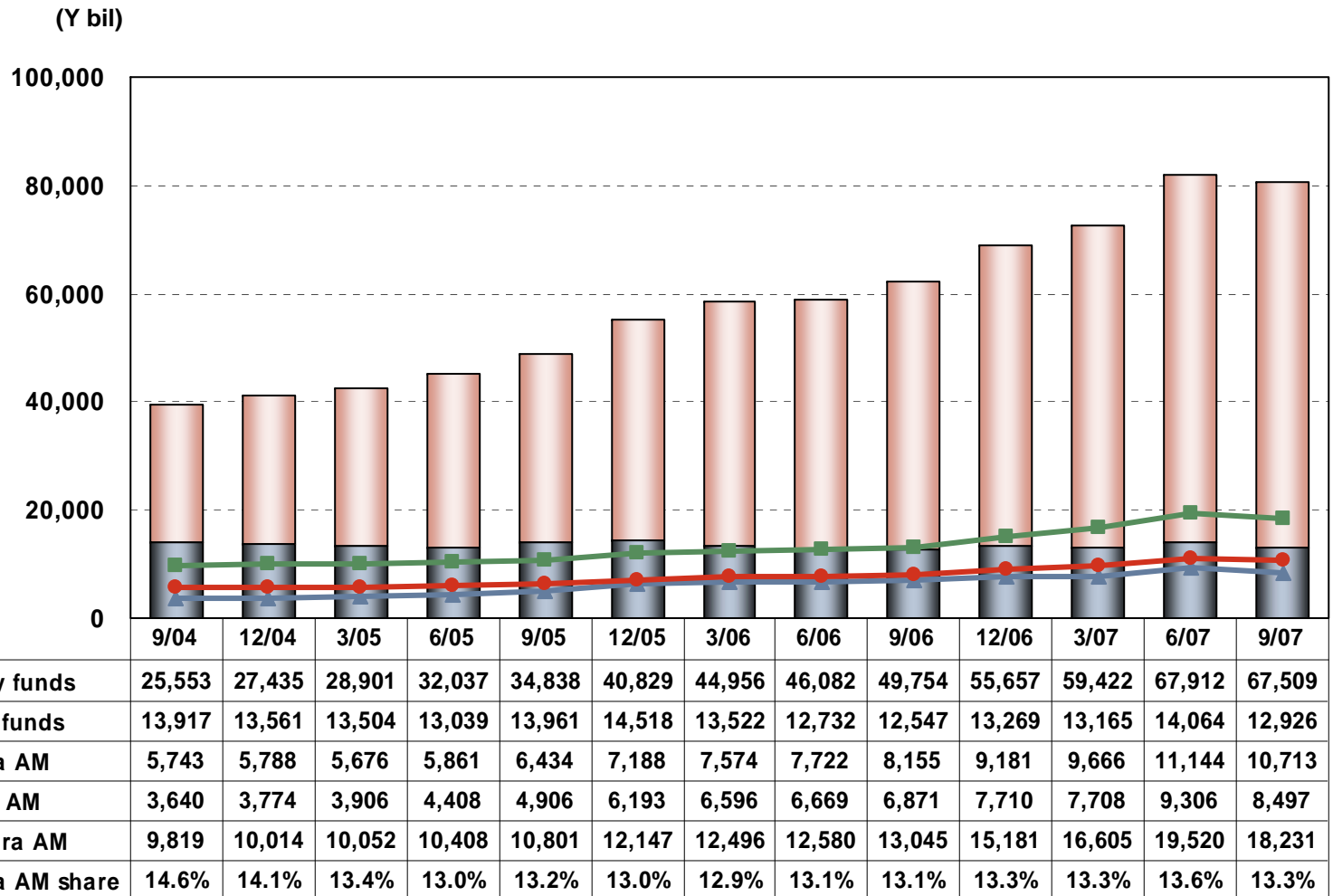
- Confidence level: 99% (one-side test)
- Holding period: 1 day
- Adjusted for price correlation between products

Daiwa Securities Group (Consolidated)

(Y bil)

(Month end)		12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07
	Equity	0.53	1.93	1.05	1.48	1.48	0.98	1.24	1.78
	Interest	0.78	0.92	1.71	1.09	0.88	0.80	1.51	1.23
	Currency	0.24	0.11	0.18	0.78	0.62	1.63	0.54	1.28
	Commodity	-	-	-	-	0.03	0.12	0.17	0.00
	(Diversification effect)	-0.40	-0.98	-0.88	-1.18	-1.22	-1.35	-1.51	-1.69
	VaR	1.15	1.98	2.06	2.17	1.79	2.18	1.95	2.60
Quarterly	High	1.95	3.07	3.69	2.42	2.86	3.55	4.10	5.79
	Low	1.15	0.99	1.49	1.42	1.33	1.14	1.28	1.50
	Average	1.55	1.56	2.42	1.99	2.02	2.13	1.91	2.75

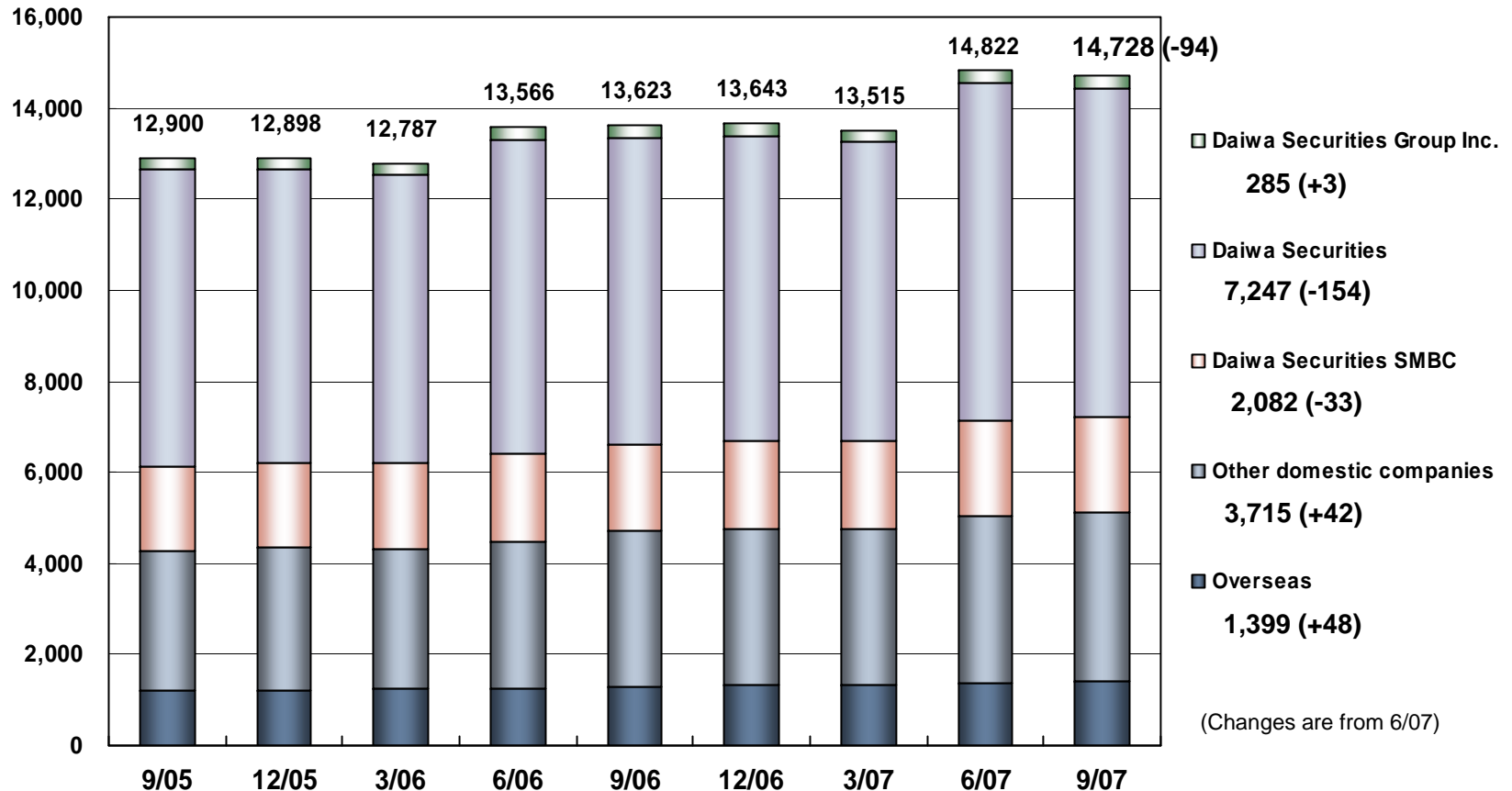
Asset Management Investment Trust Market in Japan



Source: The Investment and Trust Association

Number of Group Employees

(# of employees)



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

Changes in Shareholder Composition

September 06	
Types of investors	Ratio of # of shares
Individuals	16.4 %
Financial institutions	37.0 %
Banks	5.1 %
Trust Banks	24.7 %
Other institutions	4.5 %
Foreigners	39.8 %
Others	2.3 %
Total	100 %

March 07	
Types of investors	Ratio of # of shares
Individuals	15.6 %
Financial institutions	37.9 %
Banks	5.2 %
Trust Banks	25.4 %
Other institutions	4.1 %
Foreigners	40.1 %
Others	2.3 %
Total	100 %

September 07	
Types of investors	Ratio of # of shares
Individuals	17.2 %
Financial institutions	35.0 %
Banks	5.2 %
Trust Banks	22.5 %
Other institutions	5.1 %
Foreigners	38.7 %
Others	4.0 %
Total	100 %

Credit Ratings

	Daiwa Securities Group Inc.		Daiwa Securities		Daiwa Securities SMBC	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Moody's	Baa1	-	Baa1	P-2	A1	P-1
Standard & Poor's	BBB+	A-2	BBB+	A-2	A	A-1
Rating and Investment Information	A	a-1	A	a-1	A+	a-1
Japan Credit Rating Agency	A+	-	A+	-	-	-

※As of Oct 26, 2007

- Aug 13 Moody's raised its long-term rating for Daiwa Securities SMBC from "A2" to "A1".
- Oct 18 Rating and Investment Information raised its long-term rating for Daiwa Securities SMBC from "A" to "A+".

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