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4Q FY2007 Earnings Announcement

April 28, 2008

Daiwa Securities Group Inc.

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Consolidated Highlights

- Consolidated annualized ROE for 4Q: --- (Retail 11.2 % Wholesale ---)
FY07: 5.3% (Retail 16.2 % Wholesale ---)
- 4Q total commission was Y67.3bil, down 7% q/q, as investment banking commission recovered, while equity and investment trust commissions fell due to deteriorated market environment.
FY07 total commission was Y294.4bil, down 4% y/y, as investment banking commission significantly declined, while investment trust commission increased as asset under management of equity investment trusts grew.
- 4Q trading results fell to Y9.4bil loss, due to the decline in revenues of equity division and the valuation loss posted at bond division affected by deteriorated market environment.
As the result, FY07 trading gain was Y103.3 bil, declined by 34% y/y.

4Q FY07 Highlights

- Net operating revenues: Y 70.4 bil, down 42% q/q.
- Ordinary income: Y -15.6 bil
- Net income: Y -12.9 bil

FY07 Highlights

- Net operating revenues: Y447.4 bil, down 15% y/y.
- Ordinary income: Y 90.1 bil, down 54% y/y.
- Net income: Y 46.4 bil, down 50% y/y.

Consolidated Financial Summary

(Y mil)	FY2007		% Change vs 3Q FY07	FY2007	FY2006	% Change vs FY06
	4Q	3Q				
Operating revenues	144,268	215,457	-33.0%	825,422	917,307	-10.0%
Net operating revenues	70,431	121,427	-42.0%	447,491	526,764	-15.0%
SG&A	86,290	92,288	-6.5%	363,858	340,372	6.9%
Ordinary income	-15,664	30,511	-	90,143	195,415	-53.9%
Net income	-12,928	17,264	-	46,411	92,724	-49.9%
Total assets	17,307,119	17,786,335		17,307,119	14,411,265	
Net assets	1,082,923	1,178,456		1,082,923	1,223,225	
Shareholders' equity*	818,089	893,223		818,089	929,525	
EPS (Y)	-9.52	12.59		33.69	67.90	
BPS (Y)	607.64	651.36		607.64	665.98	
ROE (Annualized)	----	7.7%		5.3%	10.8%	

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

ROE (Annualized)	4Q	FY2007
Daiwa Securities	11.2 %	16.2 %
Daiwa Securities SMBC (consolidated)	---	---

FY07 Dividend
<u>FY07 Proposed Dividend per Share: 22 yen</u> (including 12 yen interim dividend)
<u>Dividend Payout Ratio: 65.3 %</u>

Consolidated P/L Summary

(Y mil)	FY2007		% Change vs 3Q FY07	FY2007		FY2006	FY2007	FY2006	% Change vs FY06
	4Q	3Q		2Q	1Q	4Q			
Operating revenues	144,268	215,457	-33.0%	211,712	253,982	255,138	825,422	917,307	-10.0%
Commissions	67,383	72,602	-7.2%	74,562	79,875	81,489	294,424	306,736	-4.0%
Net gain on trading	-9,479	41,650	-	24,440	46,749	47,044	103,361	157,332	-34.3%
Net gain on private equity and other securities	4,131	723	471.3%	6,309	7,996	7,997	19,160	32,818	-41.6%
Interest and dividend income	69,377	87,242	-20.5%	95,909	105,893	103,258	358,422	373,452	-4.0%
Other revenues	12,855	13,239	-2.9%	10,489	13,468	15,348	50,052	46,967	6.6%
Interest expenses	64,169	83,894	-23.5%	92,357	99,362	99,373	339,783	354,245	-4.1%
Cost of sales	9,668	10,136	-4.6%	7,791	10,551	12,263	38,147	36,298	5.1%
Net operating revenues	70,431	121,427	-42.0%	111,563	144,068	143,501	447,491	526,764	-15.0%
SG&A	86,290	92,288	-6.5%	91,660	93,619	90,882	363,858	340,372	6.9%
Operating income	-15,858	29,138	-	19,902	50,449	52,618	83,632	186,391	-55.1%
Non-operating income	1,419	2,274	-37.6%	1,823	4,129	999	9,647	10,937	-11.8%
Non-operating expenses	1,225	902	35.8%	521	486	583	3,135	1,913	63.9%
Ordinary income	-15,664	30,511	-	21,204	54,092	53,034	90,143	195,415	-53.9%
Extraordinary gains	1,481	219	576.5%	1,140	793	1,204	3,634	3,601	0.9%
Extraordinary losses	9,663	-65	-	2,015	213	10,377	11,826	13,093	-9.7%
Net income	-12,928	17,264	-	14,739	27,335	25,842	46,411	92,724	-49.9%

Consolidated Operating Revenues by Business Sector

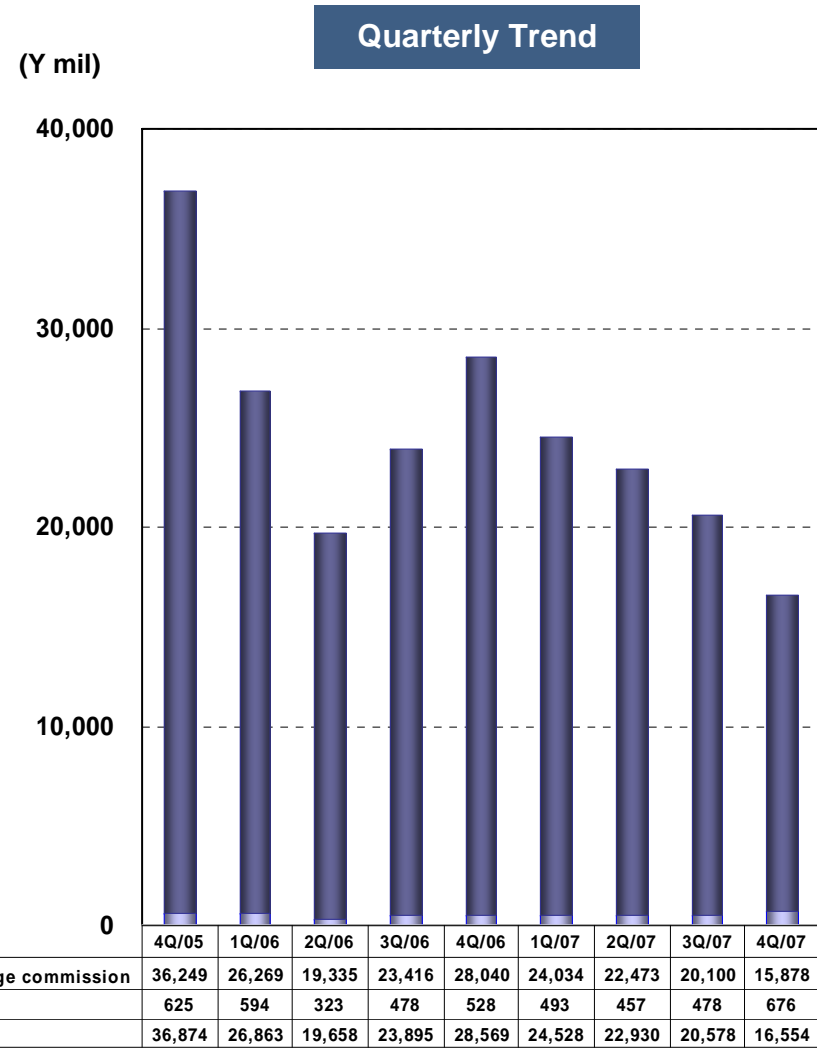
(Y mil)	FY2007		% Change vs 3Q FY07	FY2007		FY2006	FY2007	FY2006	% Change vs FY06
	4Q	3Q		2Q	1Q	4Q			
Total commission	67,383	72,602	-7.2%	74,562	79,875	81,489	294,424	306,736	-4.0%
Equity	16,554	20,578	-19.6%	22,930	24,528	28,569	84,592	98,986	-14.5%
Fixed income	476	485	-1.9%	609	562	660	2,133	2,666	-20.0%
Investment trust	28,972	36,396	-20.4%	33,826	37,181	32,006	136,376	106,906	27.6%
Investment banking	15,829	9,545	65.8%	10,798	11,376	14,481	47,550	74,985	-36.6%
Others	5,549	5,596	-0.8%	6,397	6,227	5,771	23,771	23,190	2.5%
Total gain/loss on trading	-9,479	41,650	-	24,440	46,749	47,044	103,361	157,332	-34.3%
Gain/loss on trading (Equity)	-9,539	5,329	-	-4,150	19,380	8,159	11,020	31,288	-64.8%
Gain/loss on trading (Bond and Forex)	59	36,321	-99.8%	28,591	27,368	38,885	92,341	126,044	-26.7%
Gain/loss on private equity and other securities	4,131	723	471.3%	6,309	7,996	7,997	19,160	32,818	-41.6%
Net financial income	5,208	3,347	55.6%	3,551	6,530	3,884	18,638	19,207	-3.0%

Consolidated Equity Brokerage Commission



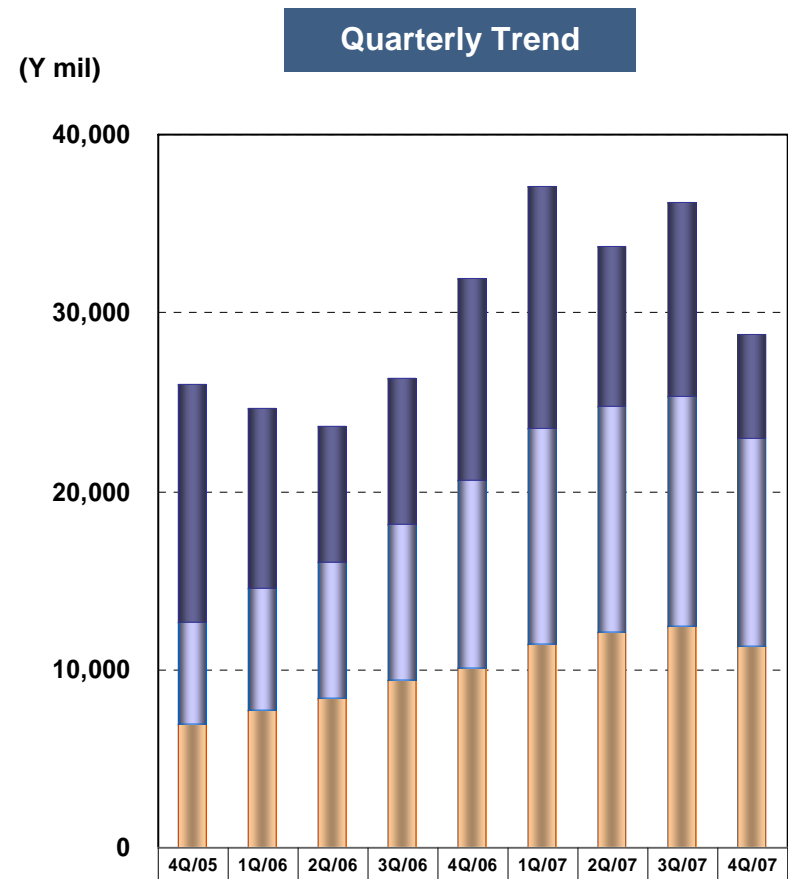
(Y mil)	FY2007 4Q	%Change vs 3Q FY07	FY2007	%Change vs FY06
Brokerage commission	15,878	-21.0%	82,487	-15.0%
Others	676	41.3%	2,105	9.4%
Total	16,554	-19.6%	84,592	-14.5%

- 4Q average daily trading value on the TSE was Y2,805bil, down 2% q/q.
- 4Q market share on TSE:
 - Daiwa Securities: 0.6% (3Q: 0.8%)
 - Daiwa Securities SMBC: 5.2% (3Q: 5.3%)
- 4Q online ratio for trading value by individuals at Daiwa Securities was 73.4%. (3Q: 69.7%)
- 4Q average brokerage commission rate at Daiwa Securities was 36bp. (3Q: 37bp)



Consolidated Investment Trust Commission

(Y mil)	FY2007 4Q	% Change vs 3Q FY07	FY2007	% Change vs FY06
Brokerage commission	126	-16.0%	463	46.2%
Distribution commission	5,919	-45.8%	39,342	5.7%
Management fee	22,926	-9.5%	96,570	39.2%
Agency commission	11,295	-9.5%	47,238	32.3%
Total	28,972	-20.4%	136,376	27.6%



- 4Q Management fee was Y22.9bil, down 10% q/q, as equity investment trust assets under management decreased due to a decline in stock market and appreciation of the yen.
- Net assets under management of “World Prime” was Y614.9bil (3/08), grew constantly from Y491.3bil (12/07)

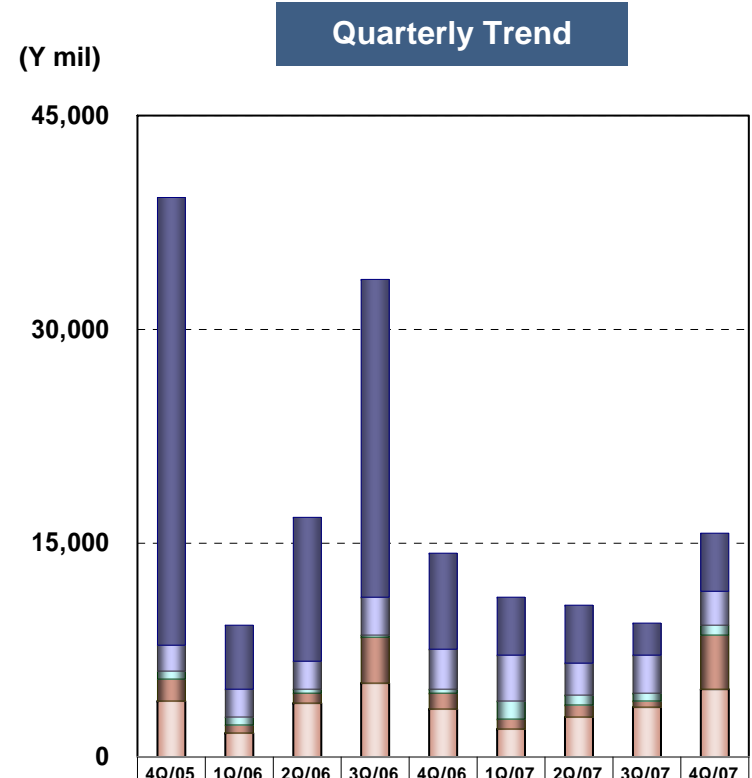
■ Distribution commission	13,321	10,126	7,576	8,161	11,345	13,606	8,895	10,920	5,919
■ Management fee (excl. agency commission)	5,681	6,761	7,644	8,838	10,423	12,120	12,740	12,839	11,631
■ Agency commission	6,959	7,778	8,424	9,367	10,140	11,382	12,075	12,484	11,295
Total*	26,059	24,766	23,703	26,430	32,006	37,181	33,826	36,396	28,972

(*)Total includes brokerage commission for ETFs.

Consolidated Investment Banking Commission



(Y mil)	FY2007 4Q	% Change vs 3Q FY07	FY2007	% Change vs FY06
Underwriting commission (Equity)	3,985	74.1%	14,581	-66.5%
Underwriting commission (Bond)	2,378	-10.3%	10,370	10.3%
Distribution commission	731	45.9%	3,229	146.6%
Others	8,584	117.6%	18,851	-3.9%
M&A commission	4,745	34.3%	13,150	-5.7%
Total	15,829	65.8%	47,550	-36.6%



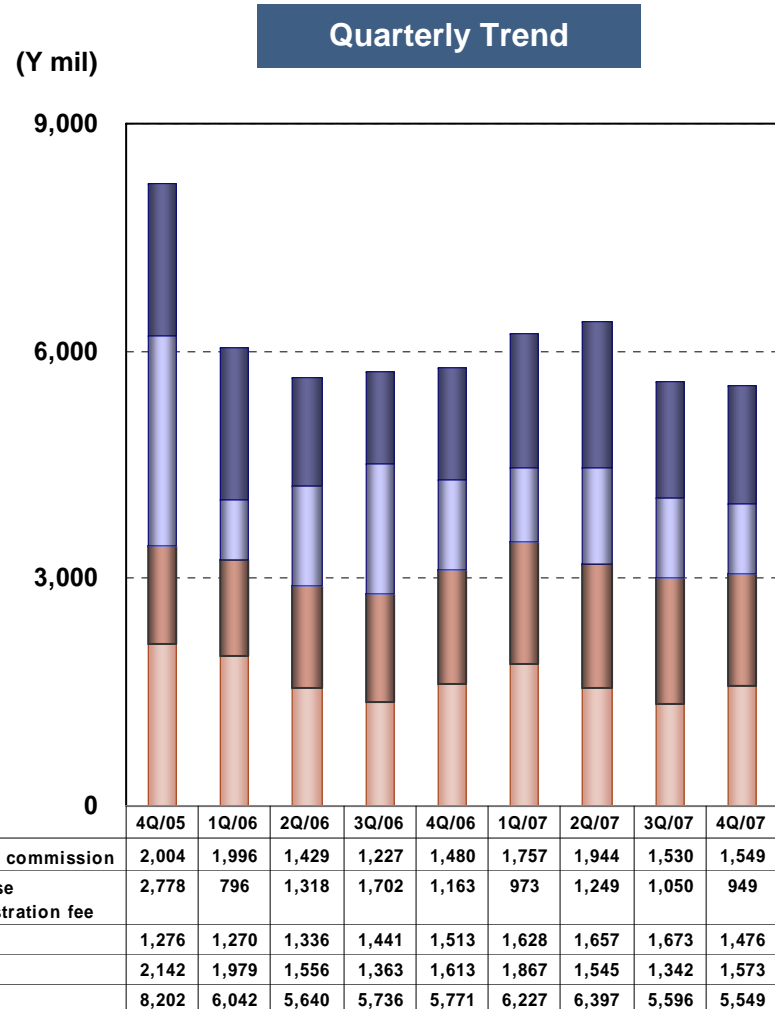
- While total amount of primary and secondary equity offering in the domestic market remained weak, our underwriting amount increased from 3Q.
- Total amount of IPO in the domestic market was Y80.1bil, fell significantly from Y383.3bil in 3Q.
- Debt issuance market deteriorated from 3Q, as credit spread widened.
- 4Q M&A commission was Y4.7bil, up 34% q/q, due to an steady increase in advisory deals.

Underwriting commission (Equity)	31,398	4,370	10,181	22,301	6,657	4,166	4,139	2,289	3,985
Underwriting commission (Bond)	1,854	2,059	1,869	2,619	2,858	3,152	2,189	2,650	2,378
Distribution commission	474	497	269	219	323	1,215	781	501	731
Others (excl. M&A commission)	1,543	646	806	3,181	1,028	711	738	411	3,839
M&A commission	3,978	1,617	3,716	5,218	3,392	2,014	2,857	3,534	4,745
Total	39,479	9,440	17,351	33,711	14,481	11,376	10,798	9,545	15,829

Consolidated Other Commissions

(Y mil)	FY2007 4Q	% Change vs 3Q FY07	FY2007	% Change vs FY06
Life insurance sales commission	1,549	1.3%	6,782	10.6%
Investment enterprise partnership administration fee	949	-9.6%	4,223	-15.2%
Custody fee	1,476	-11.8%	6,436	15.7%
Others	1,573	17.2%	6,328	-2.8%
Total	5,549	-0.8%	23,771	2.5%

- Life insurance sales commission remained flat.
- Investment enterprise partnership administration fee, gained mainly by NIF SMBC Ventures, was 0.9bil, down 10% q/q.
- Investment advisory fee of Daiwa SMA, included in "Others," decreased.



Consolidated Equity & Bond Division Revenues

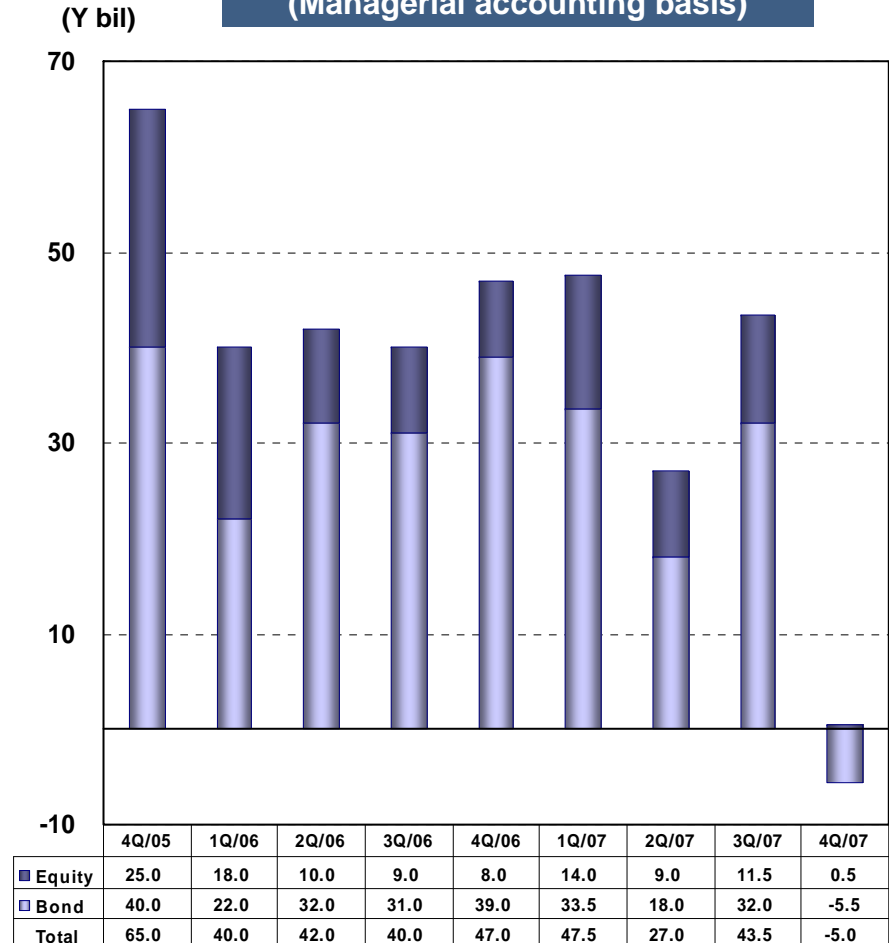
(Trading gain/loss + net financial income)*



* Managerial accounting basis

(Y bil)	FY2007 4Q	%Change vs 3Q FY07	FY2007	%Change vs FY06
Equity	0.5	-95.7%	35.0	-22.2%
Bond	-5.5	-	78.0	-37.1%
Total	-5.0	-	113.0	-33.1%

Quarterly Trend (Managerial accounting basis)



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

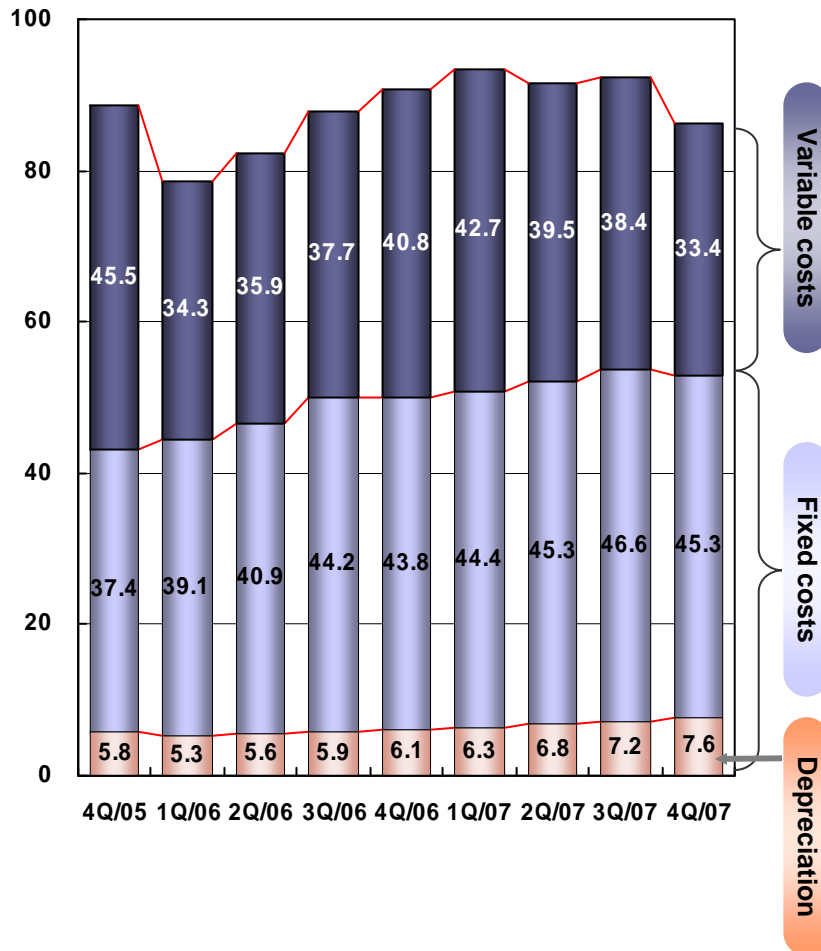
(Y mil)	FY2007 4Q	% Change vs 3Q FY07	FY2007	% Change vs FY06
Equity	-9,539	-	11,020	-64.8%
Bond and forex	59	-99.8%	92,341	-26.7%
Total	-9,479	-	103,361	-34.3%

Consolidated Breakdown of SG&A

(Y mil)	FY2007		% Change vs 3Q FY07	FY2007		FY2006	FY2007	FY2006	% Change vs FY06
	4Q	3Q		2Q	1Q	4Q			
SG&A	86,290	92,288	-6.5%	91,660	93,619	90,882	363,858	340,372	6.9%
Fees and commissions paid	21,592	20,432	5.7%	23,071	20,301	20,367	85,398	71,438	19.5%
Advertising expenses	3,957	2,777	42.5%	3,624	3,550	3,186	13,911	11,002	26.4%
Personnel costs	32,464	41,038	-20.9%	38,823	44,335	42,059	156,661	163,379	-4.1%
Real estate expenses	10,286	9,709	5.9%	9,804	8,958	11,033	38,759	38,846	-0.2%
Office expenses	7,990	7,557	5.7%	7,474	6,855	6,268	29,877	23,020	29.8%
Depreciation	7,605	7,262	4.7%	6,810	6,368	6,199	28,046	23,117	21.3%
Taxes other than income taxes	1,693	1,741	-2.8%	1,792	2,102	2,016	7,329	8,264	-11.3%
Others	4,657	4,546	2.4%	3,883	4,698	2,937	17,785	12,306	44.5%

Consolidated Cost Structure

(Y bil)



(Y bil)	FY2005	FY2006				FY2007			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Variable costs	45.5	34.3	35.9	37.7	40.8	42.7	39.5	38.4	33.4
Commission & other expenses	18.5	15.0	18.0	17.9	20.3	20.3	23.0	20.4	21.5
Bonus & FA remuneration	20.7	13.4	11.8	13.2	14.6	14.7	9.3	10.4	4.0
Overtime, part-time	2.4	2.5	2.5	2.5	2.4	2.5	2.5	2.6	2.4
Fixed costs	43.2	44.5	46.6	50.2	50.0	50.8	52.1	53.8	52.9
Personnel costs	22.3	24.1	24.9	25.9	24.9	27.0	26.9	27.9	25.9
Real estate expenses	8.5	7.8	9.1	10.7	11.0	8.9	9.8	9.7	10.2
Depreciation	5.8	5.3	5.6	5.9	6.1	6.3	6.8	7.2	7.6
Office expenses	4.1	5.3	4.8	5.1	5.8	6.3	6.7	7.0	7.4
Taxes other than income taxes	2.3	1.8	2.0	2.3	2.0	2.1	1.7	1.7	1.6

Consolidated Balance Sheet

Consolidated Balance Sheet (3/08)

(Y bil)

(Y bil)

Trading assets	7,857	(+2,774)
Trading securities and others	6,271	(+2,042)
Stocks, convertible bonds	145	(-237)
Bonds	5,789	(+2,075)
Beneficiary certificates	90	(-21)
CD/CP and others	245	(+226)
Derivative assets	1,585	(+732)
Private equity and other securities	471	(+31)
Daiwa Securities SMBC PI	414	(+39)
NIF SMBC Ventures	57	(-8)

Investment securities	215	(-18)
Marketable equities	124	(-32)
Non-marketable equities	33	(+3)
Others	58	(+10)

Current assets	16,753	Current liabilities	14,920
Trading assets	7,857	Trading liabilities	4,643
Private equity and other securities (include allowance for possible investment losses)	471	Short-term borrowings	2,362
Receivables on collateralized securities transactions	6,206	CP	488
Non-current assets	553	Current portion of bonds	130
Tangible assets	153	Payables on collateralized securities transactions	6,238
Intangible assets	101	Non-current liabilities	1,295
Investments	298	SB	1,063
Investment securities	215	Long-term borrowings	199
Others	82	Net assets	1,082
		Owners' equity	801
		Valuation and translation adjustments	16
		Minority interests	263

* Figures in parenthesis indicate change from 3/07

Retail - Daiwa Securities - Highlights



- 4Q net operating revenues were Y45.5bil, down 20% q/q, and ordinary income was Y12.6bil, down 29% q/q. FY07 net operating revenues were Y224.0bil, down 2% y/y, and ordinary income was Y71.0bil, down 5% y/y.
- 4Q equity brokerage commission was down 24% q/q, due to a decrease in retail investors' share of trading value in the overall stock market. Daiwa Securities' retail market share for 4Q was 4.2%.
- Equity-type investment trust sales slowed down, affected by market deterioration, while sales of bond-type investment trusts and foreign currency-denominated bonds remained strong.
- Daiwa Securities solely sold Y22.6bil of Japan's first vaccine bond.
- Sales of JGB for individual investors (March 6~March 31): Y25.3bil

10yr JGB (Series 22): Y 6.4bil
5yr JGB (Series 10): Y18.8bil
- Customer assets under custody stood at Y28.8tri (3/08), affected by a fall in market value, but net inflow of retail assets increased.
- For Daiwa SMA, the number of customers was approx. 2,570 and contract assets under management was Y192.0bil (3/08).
- For Daiwa Fund Wrap, the number of customers was approx. 6,400 and contract assets under management was Y48.6bil (3/08).
- For Daiwa FX (foreign exchange margin trading), 4Q trading value was Y1.7tri and the number of accounts was approx. 20,000 (3/08).

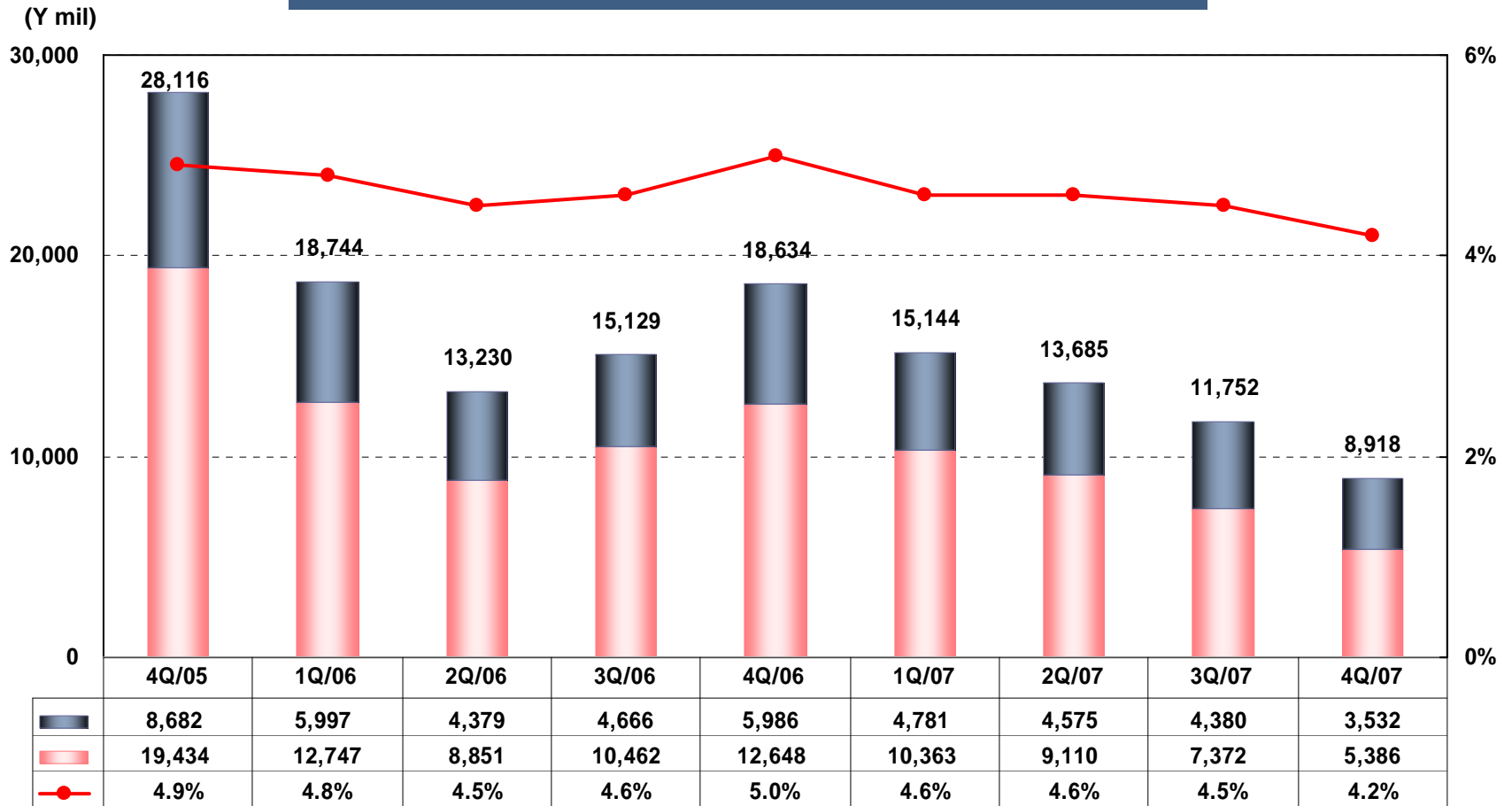
Retail - Daiwa Securities - Financial Summary

(Y mil)	FY2007		% Change vs 3Q FY07	FY2007		FY2006	FY2007	FY2006	% Change vs FY06
	4Q	3Q		2Q	1Q	4Q			
Operating revenues	46,072	57,330	-19.6%	58,413	64,456	63,042	226,273	230,649	-1.9%
Commissions	34,325	42,995	-20.2%	44,337	50,381	50,681	172,040	185,751	-7.4%
Brokerage	9,028	11,864	-23.9%	13,767	15,190	18,697	49,851	65,947	-24.4%
Stock and others	8,918	11,752	-24.1%	13,685	15,144	18,634	49,500	65,739	-24.7%
Distribution	8,757	13,257	-33.9%	12,413	17,862	15,399	52,292	60,531	-13.6%
Stock and others	1,058	865	22.3%	1,368	1,616	2,229	4,908	16,006	-69.3%
Bond and others	1,956	1,687	16.0%	2,436	3,050	2,140	9,131	8,449	8.1%
Investment trust	5,742	10,704	-46.4%	8,609	13,195	11,028	38,252	36,075	6.0%
Other commissions	16,538	17,874	-7.5%	18,155	17,328	16,584	69,897	59,272	17.9%
Investment trust	10,911	12,058	-9.5%	11,634	10,935	9,652	45,539	34,001	33.9%
Net gain on trading securities	9,826	12,036	-18.4%	11,597	11,818	10,318	45,279	37,324	21.3%
Stock and others	686	1,896	-63.8%	1,741	2,184	1,542	6,509	5,761	13.0%
Bond, forex and others	9,140	10,139	-9.9%	9,855	9,633	8,775	38,769	31,562	22.8%
Interest and dividend income	1,920	2,298	-16.4%	2,478	2,256	2,042	8,953	7,573	18.2%
Interest expenses	505	575	-12.1%	589	593	511	2,263	1,478	53.1%
Net operating revenues	45,567	56,755	-19.7%	57,823	63,863	62,530	224,010	229,171	-2.3%
SG&A	32,987	38,924	-15.3%	39,363	41,981	40,644	153,256	154,670	-0.9%
Ordinary income	12,649	17,922	-29.4%	18,456	21,999	21,800	71,026	74,477	-4.6%
Net income	7,180	10,418	-31.1%	10,606	12,803	12,163	41,009	43,468	-5.7%
Capital adequacy ratio	319.7%	382.2%		362.5%	350.9%	319.3%	319.7%	319.3%	

Retail - Daiwa Securities - Equity Brokerage Commissions



Retail Equity Brokerage Commissions and Market Share

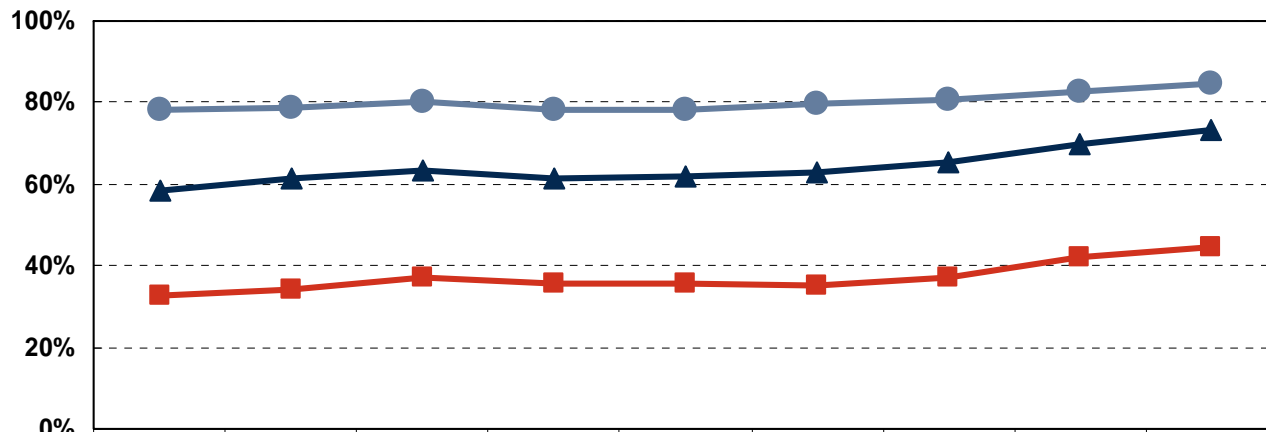


■ Equity brokerage commissions excl. online & call center (left)
 ■ Online & call center (left)
 ● Daiwa's retail market share (right)

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)

Online Ratio



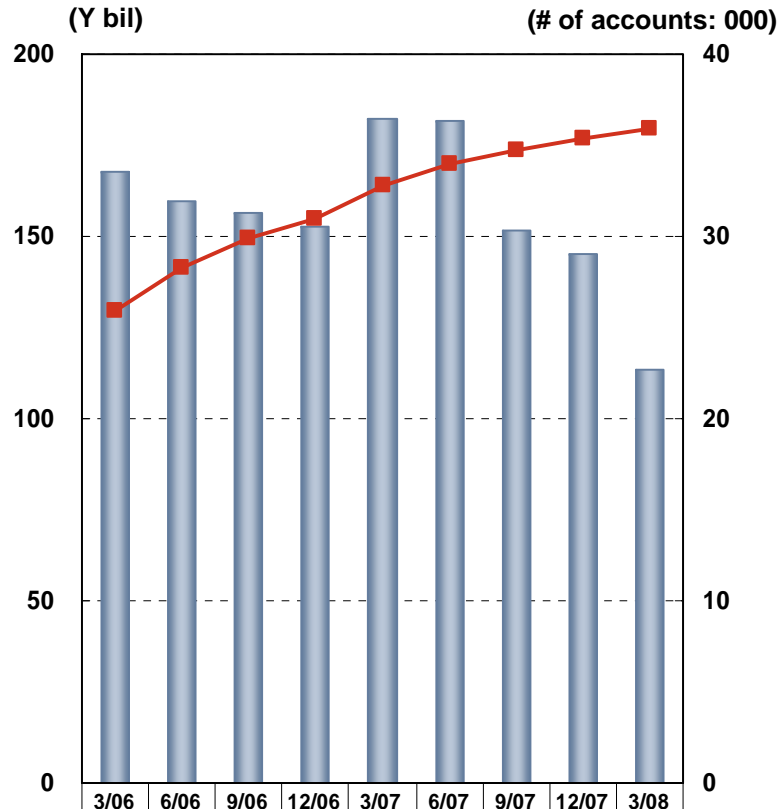
	4Q/05	1Q/06	2Q/06	3Q/06	4Q/06	1Q/07	2Q/07	3Q/07	4Q/07
● Online ratio (# of contracts)	78.1%	78.6%	80.4%	78.0%	78.3%	79.6%	80.8%	82.6%	84.5%
▲ Online ratio (trading value)	58.3%	61.2%	63.3%	61.3%	62.0%	62.8%	65.5%	69.7%	73.4%
■ Online ratio (commission)	32.9%	34.3%	37.2%	35.5%	35.5%	35.3%	37.2%	42.3%	44.8%
Total # of online contracts (thousands)	3,389	2,489	1,974	2,016	2,446	2,051	2,052	2,103	1,911
Total online trading value (Billions of yen)	3,218	2,394	1,842	1,880	2,542	2,069	2,008	1,948	1,548
Total online equity commission (Millions of yen)	8,682	5,997	4,379	4,666	5,986	4,781	4,575	4,380	3,532

Note: Online ratio is calculated based on trading activities made by individuals at Daiwa Securities.

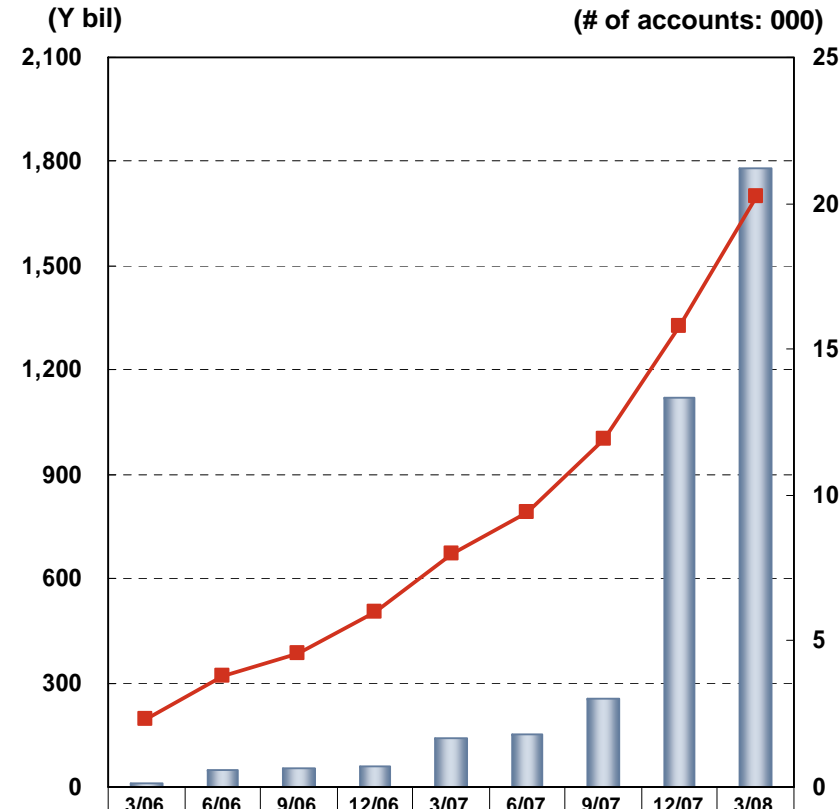
Retail - Daiwa Securities - Online Trading (2)



Accounts and Outstanding Position of "Online Margin Transaction Services"



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



■ Online margin position (left)	168.0	159.7	156.2	152.9	182.4	181.5	151.4	144.9	113.5
■ # of Online margin accounts (right)	25.9	28.3	29.9	31.0	32.8	34.0	34.7	35.4	35.9

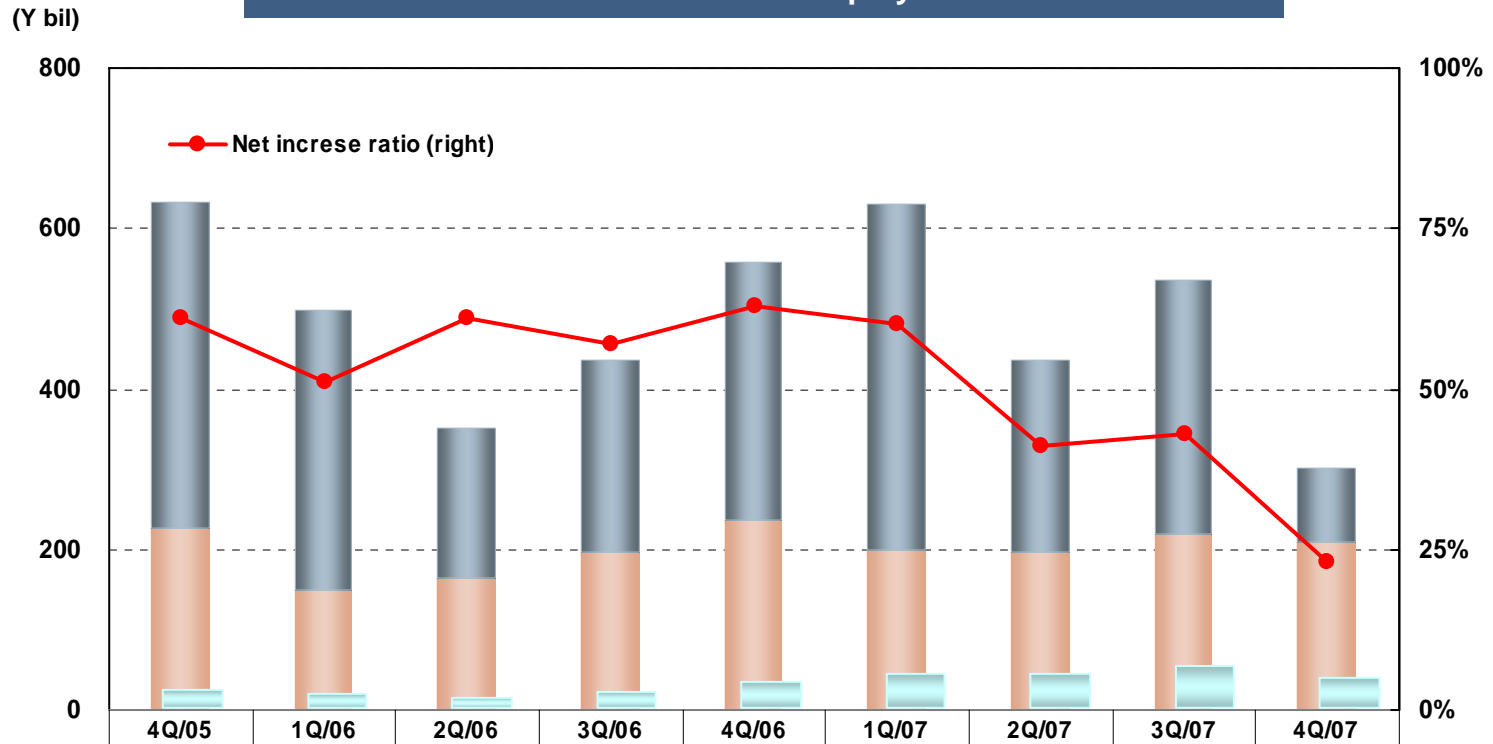
■ Daiwa FX Trading value (left)	9.2	49.8	56.3	61.8	139.5	152.9	252.9	1,118.7	1,782.6
■ # of Daiwa FX accounts (right)	2.3	3.8	4.6	6.0	8.0	9.4	11.9	15.8	20.2

* Trading value is a total for quarterly period

Retail - Daiwa Securities - Equity Investment Trusts



Sales and Net Increase Ratio of Equity Investment Trusts



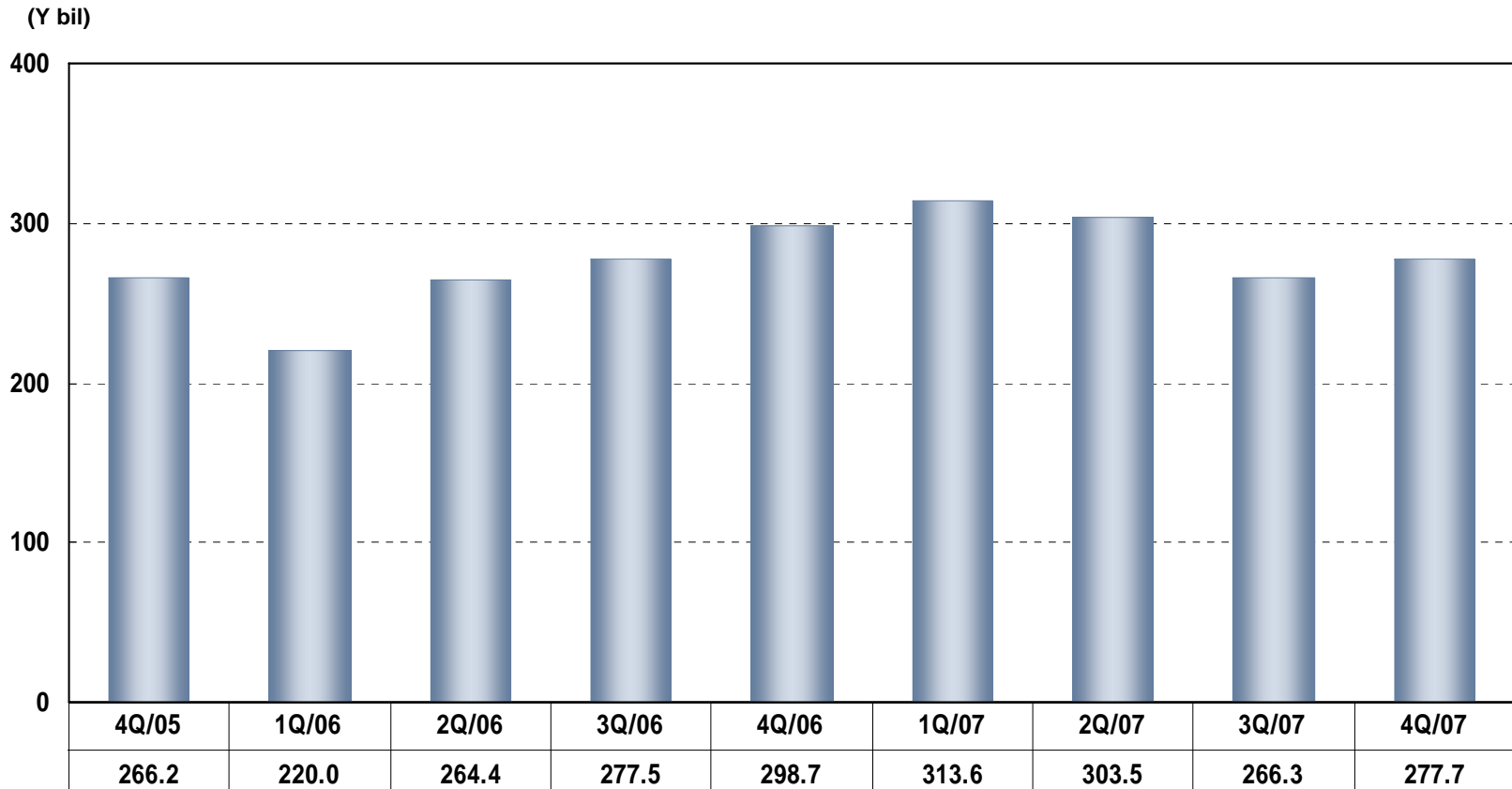
Equity type investment trust (left)	405.2	350.0	187.3	238.8	320.1	431.4	237.4	316.6	90.7
Bond type investment trust (left)	227.5	148.4	164.7	196.2	237.2	198.9	197.6	218.9	209.8
Sales through online (left)	23.9	18.5	13.9	20.4	34.2	44.0	44.1	53.5	37.5
Total (left)	632.7	498.4	352.1	435.0	557.4	630.3	435.0	535.5	300.6

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

Retail - Daiwa Securities - Foreign Currency Denominated Bonds



Sales of Foreign Currency Denominated Bonds

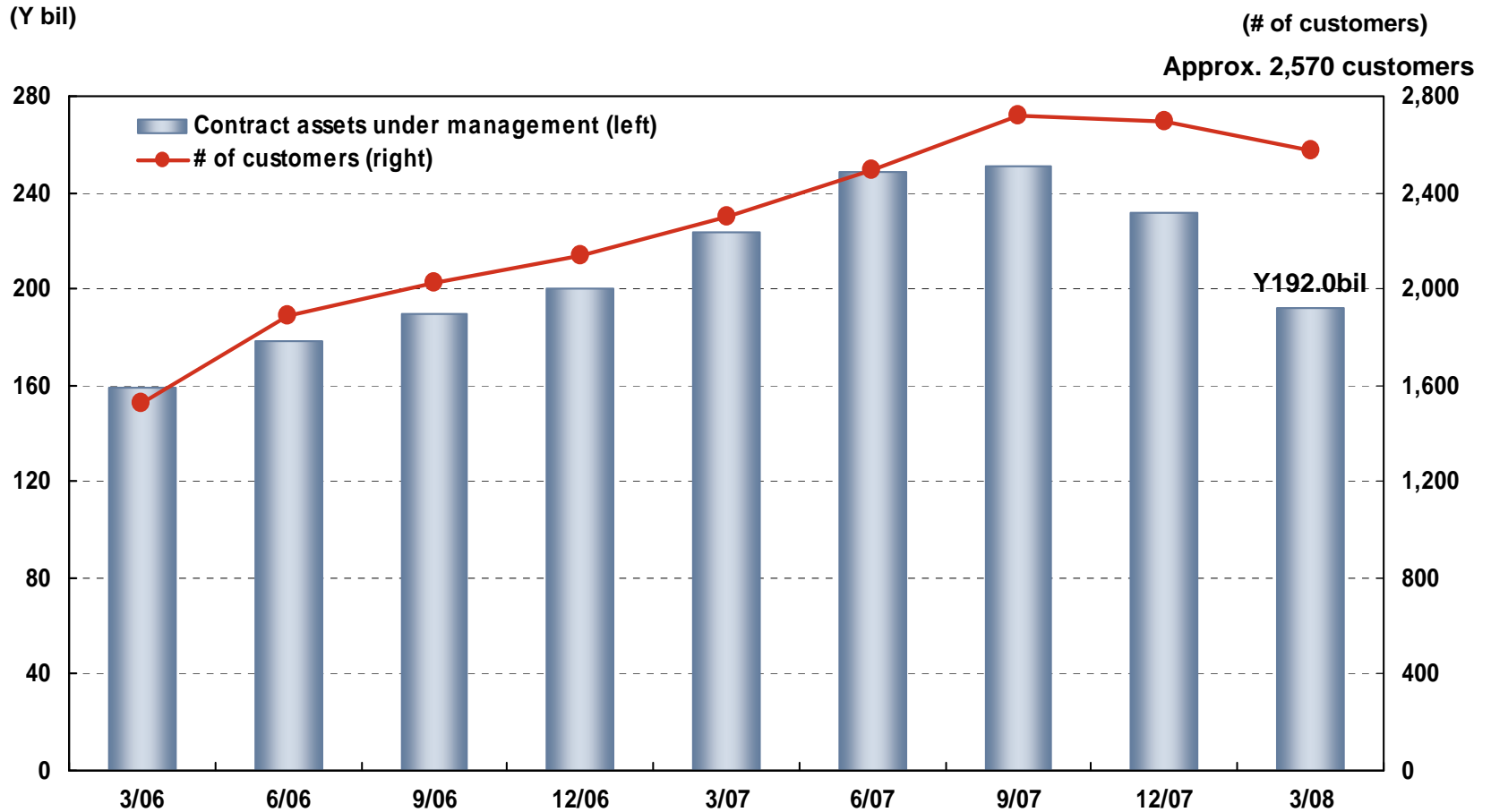


Note: Sales of publicly offered structured bonds were included from 4Q/07

Retail - Daiwa Securities - Daiwa SMA



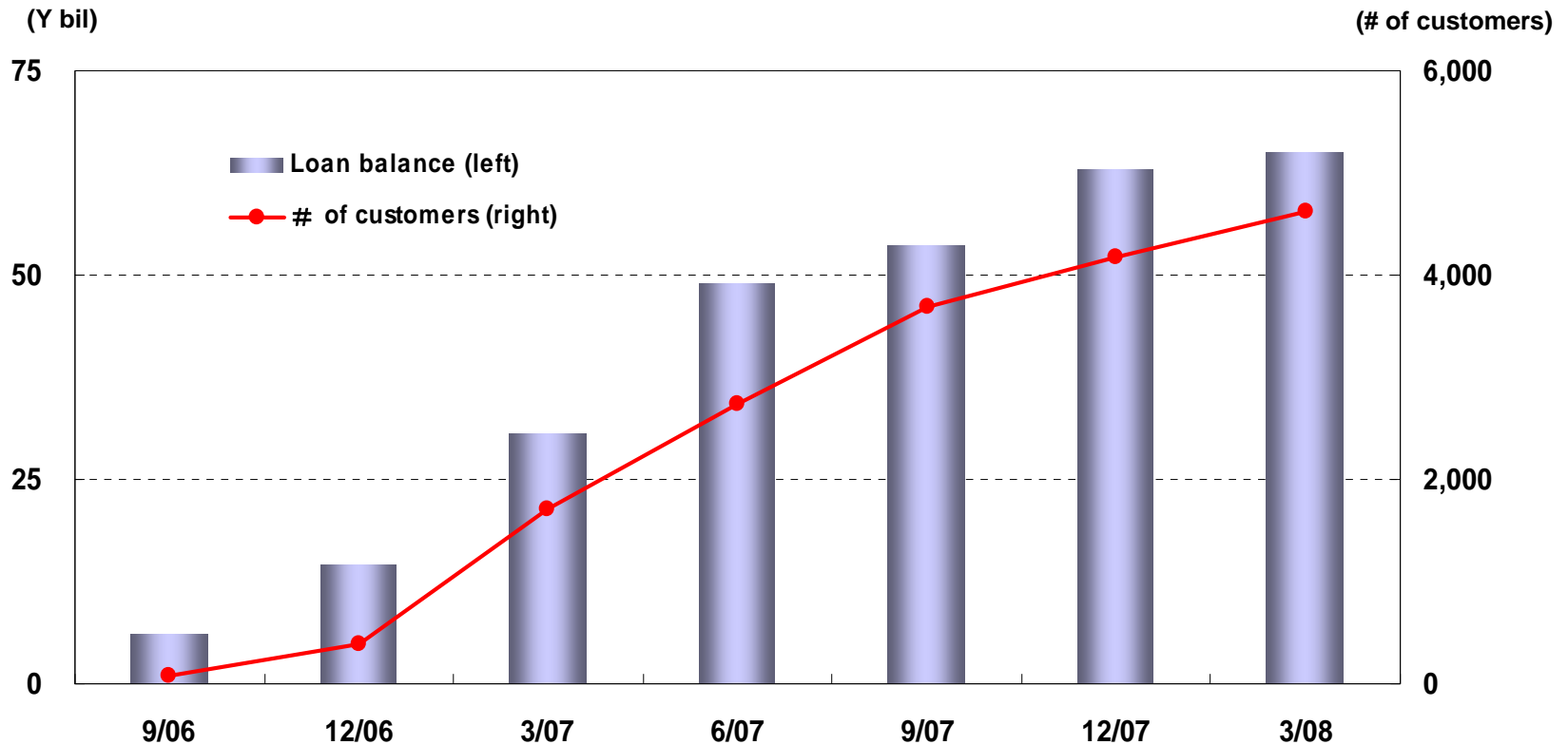
Number of Customers and Contract Assets under Management of "Daiwa SMA"



Retail - Daiwa Securities - Daiwa LMS (Loan Management Service)

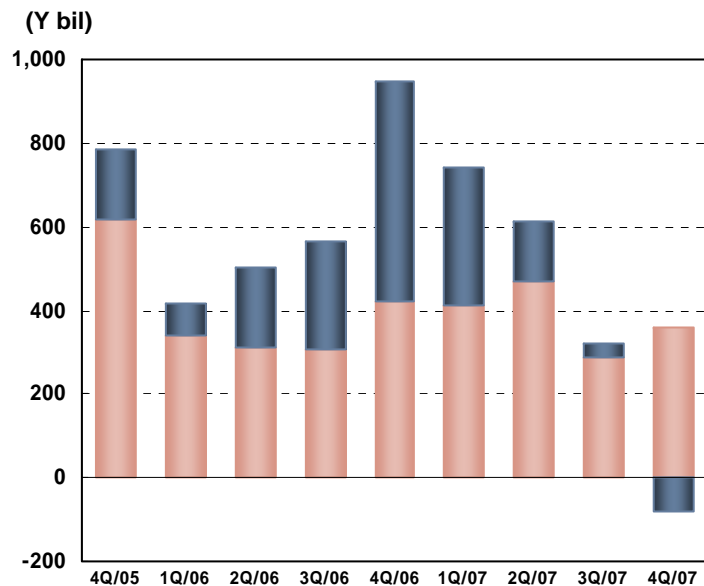


Daiwa LMS Loan Balance and Number of Customers



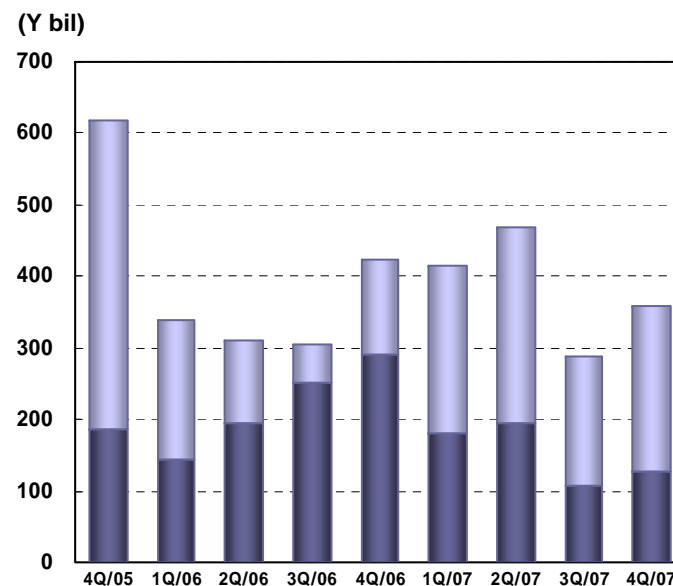
Retail - Daiwa Securities - Net Inflow of Retail Assets

**Daiwa Securities
Net Inflow of Assets**



	4Q/05	1Q/06	2Q/06	3Q/06	4Q/06	1Q/07	2Q/07	3Q/07	4Q/07
■ Unlisted corporation etc.	166.5	79.5	194.7	258.4	523.9	327.7	144.1	34.4	-81.2
■ Retail	618.6	339.4	309.5	305.4	422.2	414.1	467.2	287.9	357.7
Total	785.1	418.9	504.3	563.9	946.2	741.8	611.3	322.4	276.4

**Daiwa Securities
Net Inflow of Cash and Securities (Retail)**



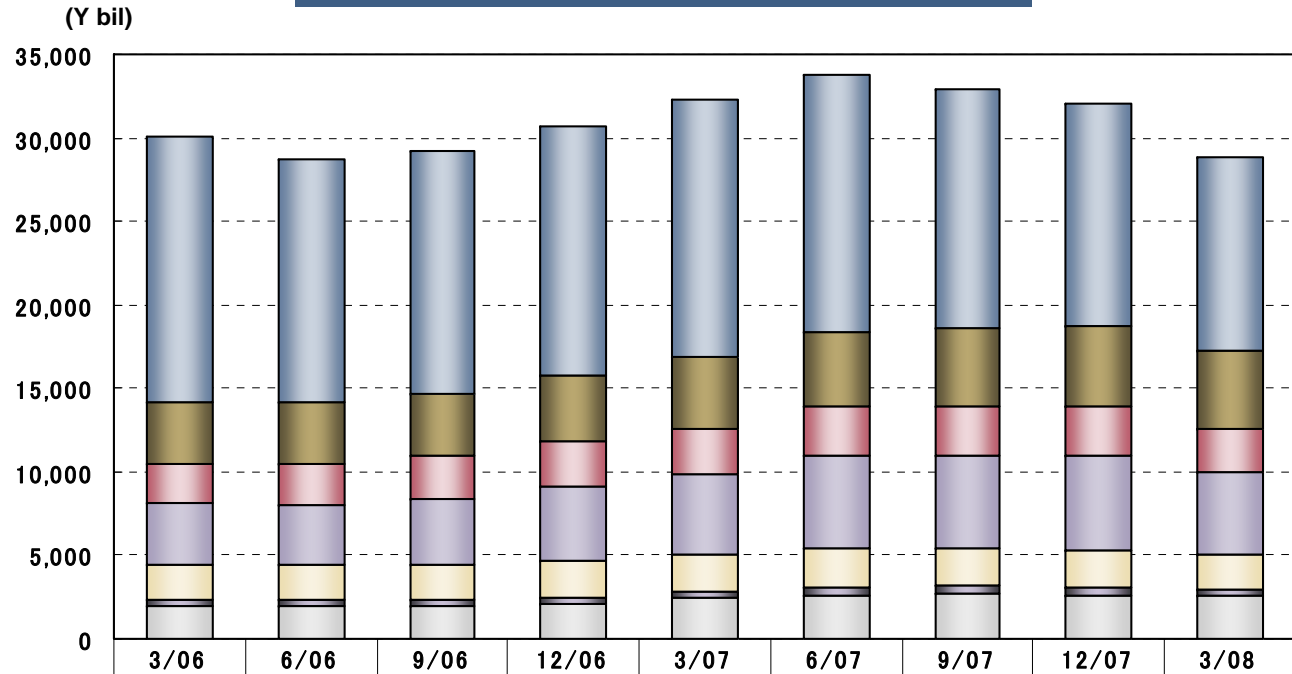
	4Q/05	1Q/06	2Q/06	3Q/06	4Q/06	1Q/07	2Q/07	3Q/07	4Q/07
■ Net inflow of cash	432.1	194.1	113.8	53.6	131.4	233.3	272.3	181.0	231.8
■ Net inflow of securities	186.4	145.2	195.7	251.8	290.7	180.7	194.9	106.9	125.8

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

Retail - Daiwa Securities - Assets Under Custody



Daiwa Securities Assets Under Custody



* "Others" includes customer assets of Daiwa Securities held under custody at Daiwa Securities SMBC.

Wholesale - Daiwa Securities SMBC Consolidated - Highlights



- 4Q net operating revenues were Y12.7bil, down 73% q/q, and ordinary income was Y-27.3bil. FY07 net operating revenues were Y161.9bil, down 38% y/y and ordinary income was Y1.4bil, down 99% y/y.
- Negatively affected by deterioration of market environment triggered by US sub-prime issue, trading loss was recorded due to a decrease in order-flows and valuation losses on credit trading and arbitrage position.
- 4Q revenues generated by collaboration with SMBC (incl. financial instruments intermediation) were Y13.7bil (3Q: Y9.1bil).
- Daiwa Securities SMBC ranked second for total debt and third for total equity in FY2007 lead manager league tables.
- Total Investment amount outstanding at Daiwa Securities SMBC PI was Y439bil. (3/08)
- Daiwa Securities SMBC PI invested US\$ 30mil. in a Chinese telecommunication company, Airway Communications International Holding (unlisted), as the first overseas investment.

Wholesale - Daiwa Securities SMBC Consolidated - Financial Summary

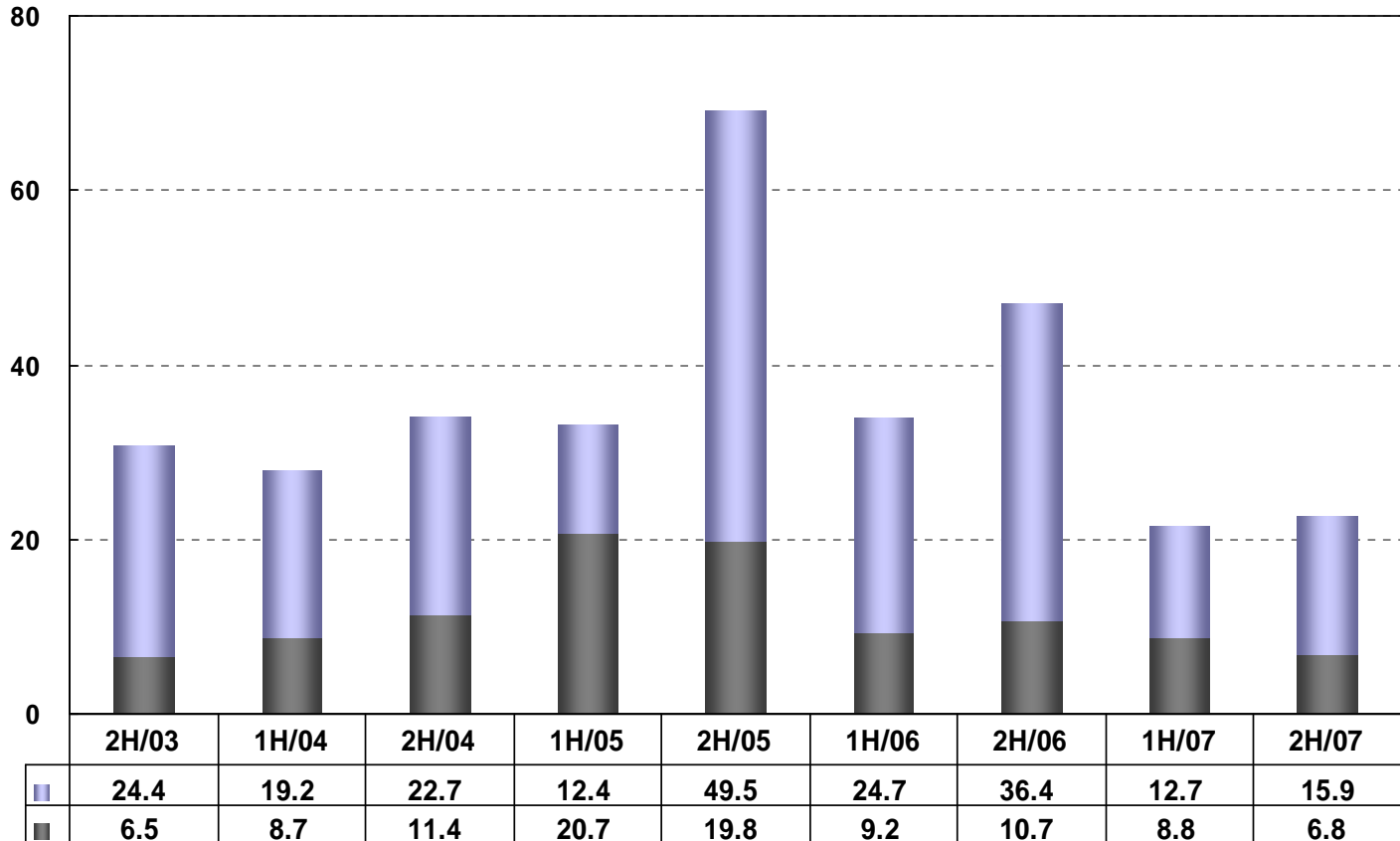
(Y mil)	FY2007		% Change vs 3Q FY07	FY2007		FY2006	FY2007	FY2006	% Change vs FY06
	4Q	3Q		2Q	1Q	4Q			
Operating revenues	34,130	69,075	-50.6%	56,563	82,499	85,786	242,269	317,118	-23.6%
Commissions	22,876	17,022	34.4%	18,630	18,932	23,412	77,461	106,530	-27.3%
Brokerage commission	5,677	6,838	-17.0%	7,187	7,130	7,615	26,833	26,158	2.6%
Stock and others	5,579	6,718	-17.0%	7,070	6,992	7,458	26,360	25,601	3.0%
Underwriting commission	6,614	5,022	31.7%	6,484	7,323	9,673	25,445	53,905	-52.8%
Stock and others	3,886	2,290	69.7%	4,136	4,160	6,650	14,474	43,416	-66.7%
Bond and others	2,576	2,572	0.2%	2,255	3,046	2,801	10,452	9,336	11.9%
Distribution commission	684	241	183.1%	281	541	393	1,748	1,248	40.0%
Other commissions (M&A and others)	9,900	4,919	101.2%	4,677	3,936	5,730	23,435	25,216	-7.1%
Net gain/loss on trading securities	-19,314	29,061	-	11,439	33,434	36,138	54,620	116,629	-53.2%
Stock and others	-10,081	2,655	-	-5,999	16,239	6,155	2,814	24,146	-88.3%
Bond, forex and others	-9,232	26,405	-	17,438	17,194	29,982	51,806	92,482	-44.0%
Net gain/loss on private equity and other securities	8,105	942	760.0%	7,063	7,609	7,269	23,720	27,699	-14.4%
Interest and dividend income	22,462	22,049	1.9%	19,431	22,523	18,966	86,466	66,258	30.5%
Interest expenses	21,423	21,601	-0.8%	19,022	18,268	17,926	80,315	56,417	42.4%
Net operating revenues	12,707	47,474	-73.2%	37,541	64,231	67,859	161,954	260,700	-37.9%
SG&A	39,967	40,571	-1.5%	40,781	40,859	43,013	162,179	169,793	-4.5%
Ordinary income	-27,302	6,904	-	-2,578	24,408	24,887	1,431	92,866	-98.5%
Net income	-22,506	3,607	-	-2,067	15,130	15,956	-5,836	51,945	-

Wholesale Revenues from Collaboration with SMBC



Revenues from Collaboration with SMBC

(Y bil)



■ Brokerage (incl. financial instruments intermediation) ■ Investment banking

Wholesale - Daiwa Securities SMBC - Major League Tables

Daiwa Securities SMBC FY2007 Lead Manager League Table

	Total debt		Total equity			M & A	
		Corporate & Agency bonds		IPO	Primary and secondary equity offerings	Transaction value	Number of deals
1st	Mizuho	Mizuho	Nomura	Nomura	Nomura	Nomura	Nomura
	16.9%	21.5%	43.9%	61.5%	58.7%		
2nd	Daiwa Sec. SMBC	Mitsubishi UFJ	Nikko Citigroup	JP Morgan	Daiwa Sec. SMBC	MUFG	Daiwa Sec. SMBC
	16.0%	19.1%	16.5%	14.7%	20.5%		
3rd	Mitsubishi UFJ	Nomura	Daiwa Sec. SMBC	Daiwa Sec. SMBC	Nikko Citigroup	JP Morgan	MUFG
	14.4%	18.7%	11.0%	13.1%	8.9%		
4th	Nomura	Daiwa Sec. SMBC	Mitsubishi UFJ	Nikko Citigroup	Morgan Stanley	Daiwa Sec. SMBC	Mizuho FG
	13.7%	18.5%	6.1%	2.7%	3.8%		
5th	Nikko Citigroup	Nikko Citigroup	Morgan Stanley	Shinko	Mizuho	Citigroup	Citigroup
	9.7%	9.5%	4.9%	2.7%	3.1%		

Source: Daiwa Securities SMBC (Nikkei Veritas for ABS, excluding Mar 2008) **Apr 2007-Mar 2008**

Note: Total debt (corporate bonds+agency bonds+samurai bonds+ABS) based on launch date.

Total equity (primary and secondary equity offerings+IPO+domestic CB+foreign equity+ overseas CB + SPS + REIT) based on settlement date. IPO based on listing date. Joint lead manager allotment based on underwritten amount.

Source: THOMSON FINANCIAL

Apr 2007-Mar 2008 "M&A advisory league table for any Japanese involvement announced (AD19)"

Wholesale Daiwa Securities SMBC Principal Investments



(Y mil)	FY2007		%Change vs 3Q FY07	FY2007		FY2006	FY2007	FY2006	%Change vs FY06
	4Q	3Q		2Q	1Q	4Q			
Ordinary Income	6,053	-1,591	-	3,764	8,158	5,456	16,385	23,782	-31.1%

As of 3/08 (change vs 12/07)

Total Investment amount: **Approx. Y 439bil (+Y31bil)**

Private equity and PIPEs

(Private Investment in Public Equities): Y 269bil (-Y6bil)

Monetary claims: Y 89bil (+Y15bil)

Real estate: Y 77bil (+Y22bil)

Greenhouse gas emission credits: Y 4bil (--)

Recent Topics

Overseas investment

- Invested US\$ 30mil. in a Chinese telecommunication company, Airway Communications as the first overseas investment. The company will expand its broadband business with this finance.

Domestic investment

- Acquired all shares of Nippon Dry-Chemical, a large fire extinguishing equipment and service provider.

Fund launch

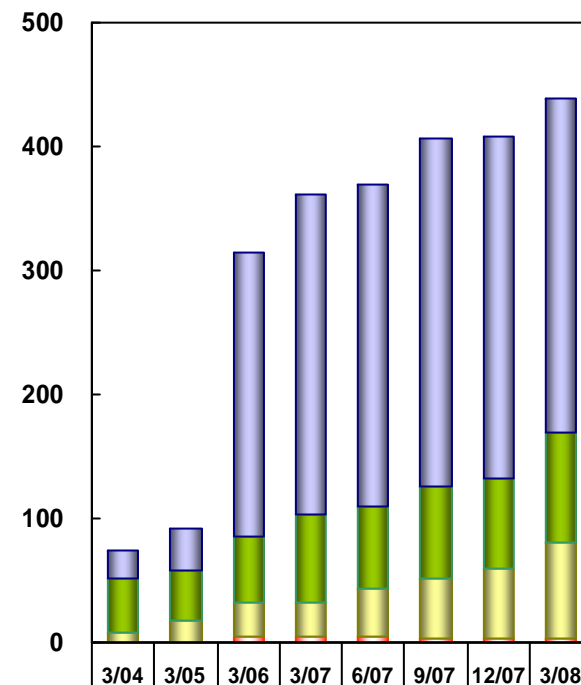
- Launched a fund to support business succession in domestic housing-related companies, with Organization for Small & Medium Enterprises and Regional Innovation and Sumitomo Forestry.

Exit

- Made a public offering of shares of Mitsui Mining, which Daiwa Securities SMBC PI had supported for its business revitalization since Mar 2005.

Daiwa Securities SMBC PI Investment Amount

(Y bil)



Private equity & PIPEs	23	34	229	257	261	281	275	269
Monetary claims	44	41	53	72	66	74	74	89
Real estate	8	18	27	28	38	48	55	77
Greenhouse gas emission credits	-	-	4	4	5	4	4	4
Total	75	93	313	361	370	407	408	439

Asset Management

Daiwa Asset Management & Daiwa SB Investments



Daiwa Asset Management

- 4Q operating revenues were Y19.6bil, down 9% q/q. Ordinary income was Y3.5bil, down 17% q/q. FY07 ordinary income renewed a historical high to Y17.4bil, up 34% y/y.
- Net assets under management of Daiwa Global Bond Fund was Y1,499bil (3/08). Net assets under management of World Prime significantly increased from Y40.6bil (3/07) to Y614.9bil (3/08).

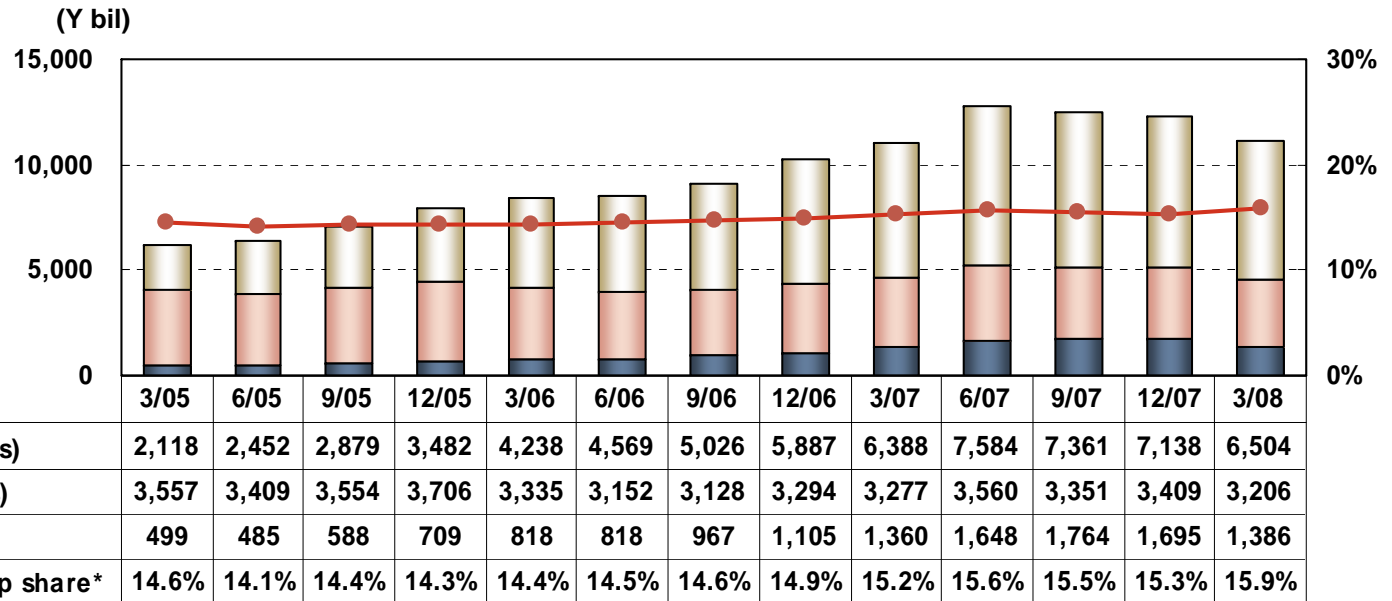
Daiwa SB Investments

- 4Q ordinary income was Y1.1bil, down 18% q/q. FY07 ordinary income was Y5.7bil, up 31% y/y.
- Daiwa SB Investments was awarded as the best asset management company for total and mix-asset category in "Lipper Fund Awards Japan 2008."

Asset Management Assets Under Management



Assets Under Management of Publicly Offered Investment Trusts



*Daiwa Asset Management + Daiwa SB Investments

Contract Assets for Investment Advisory

(Y bil)	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07	3/08
Daiwa SB Investments	3,158	3,201	3,715	4,106	4,070	3,913	4,106	4,292	4,374	4,555	4,220	3,919	3,395

Asset Management - Daiwa Asset Management - Financial Summary

(Y mil)	FY2007		% Change vs 3Q FY07	FY2007		FY2006	FY2007	FY2006	% Change vs FY06
	4Q	3Q		2Q	1Q	4Q			
Operating revenues	19,670	21,585	-8.9%	21,440	20,383	17,897	83,079	58,933	41.0%
Management fee	19,548	21,455	-8.9%	21,294	20,209	17,736	82,506	58,445	41.2%
Equity investment trust	18,294	20,138	-9.2%	20,002	18,971	16,828	77,406	56,134	37.9%
Bond investment trust	1,253	1,317	-4.8%	1,291	1,237	908	5,100	2,310	120.7%
Other operating revenues	122	130	-5.6%	145	174	160	572	488	17.2%
SG&A	15,976	17,219	-7.2%	17,001	15,736	14,199	65,933	46,673	41.3%
Commissions paid	11,650	12,707	-8.3%	12,537	11,888	10,336	48,784	33,691	44.8%
Other SG&A	4,325	4,511	-4.1%	4,463	3,847	3,862	17,148	12,981	32.1%
Operating income	3,694	4,365	-15.4%	4,438	4,646	3,697	17,146	12,259	39.9%
Ordinary income	3,596	4,317	-16.7%	4,514	5,065	3,757	17,494	13,015	34.4%
Net income	2,691	2,127	26.5%	2,714	3,132	222	10,665	8,659	23.2%

Domestic Group Companies and Overseas Operation Ordinary Income

Domestic Group Companies

(Y mil)	FY2007		%Change vs 3Q FY07	FY2007		FY2006	FY2007	FY2006	%Change vs FY06
	4Q	3Q		2Q	1Q	4Q			
Daiwa Asset Management	3,596	4,317	-16.7%	4,514	5,065	3,757	17,494	13,015	34.4%
Daiwa Institute of Research	4,808	3,486	37.9%	2,918	2,165	2,711	13,379	9,744	37.3%
NIF SMBC Ventures	-4,447	-462	-	-737	325	590	-5,321	4,233	-
Other Domestic Group Companies	213	428	-50.2%	510	996	850	2,149	4,158	-48.3%
Total*	4,171	7,771	-46.3%	7,206	8,553	7,910	27,702	31,151	-11.1%

Daiwa SB Investments	1,111	1,348	-17.6%	1,794	1,498	1,315	5,752	4,407	30.5%
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Overseas

America	1,000	305	227.5%	586	56	370	1,948	1,625	19.9%
Europe	-2,777	-1,305	-	-693	586	2,074	-4,190	8,415	-
Asia/Oceania	152	1,138	-86.6%	962	1,407	1,173	3,661	3,829	-4.4%
Total	-1,624	138	-	855	2,049	3,618	1,419	13,870	-89.8%

* Total figure of domestic consolidated Group companies except Daiwa Securities and Daiwa Securities SMBC and its domestic subsidiaries.

If you have any questions or points to discuss, please choose from the following options.

- Please email us at the following address stating your name and telephone number.
ir-section@dsgi.daiwa.co.jp
- Please send me a Bloomberg message.
As I happen to be the only Akuzawa on Bloomberg, it shouldn't be too hard to find.
- Or please call us, if you prefer, at **+813 5555 1300**.

Looking forward to hearing from you.

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