

July 31, 2015

Daiwa Securities Group Inc.

**Report Regarding Consolidated Capital Adequacy Ratio**  
**And Consolidated Leverage Ratio**  
**Situation of Soundness in Management as of March 31, 2015**

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, 2015.

## Composition of capital disclosure

(Unit: 1Million Yen, %)

Basel III template number	Items	March 2015	Exclusion under transitional arrangements
<b>Common Equity Tier 1 capital: Instruments and reserves (1)</b>			
1a+2-1c-26	Shareholders' equity	1,059,339	
1a	Common stock and capital surplus	478,680	
2	Retained earnings	623,755	
1c	Treasury stock (△)	15,771	
26	Planned distributions (△)	27,325	
	Others	-	
1b	Stock subscription rights	8,205	
3	Accumulated other comprehensive income (and other reserves)	60,795	91,193
5	Minority interest after adjustments	-	
	Common Equity Tier 1 capital under transitional Basel III rules	52,854	
	Minority interest	52,854	
6	Common Equity Tier 1 capital before regulatory adjustments (a)	1,181,195	
<b>Common Equity Tier 1 capital: regulatory adjustments (2)</b>			
8+9	Intangible assets other than mortgage-servicing rights (net of related tax liability)	30,833	46,249
8	Goodwill (net of related tax liability)	1,928	2,892
9	Other intangibles other than mortgage-servicing rights(net of related tax liability)	28,904	43,357
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,447	2,170
11	Cash-flow hedge reserve	△49	△73
12	Shortfall of allowance to expected losses	-	-
13	Securitization gain on sale (as set out in paragraph 562 of Basel II framework)	-	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
15	Defined-benefit pension fund net assets	-	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	183	275
17	Reciprocal cross-holdings in common equity	-	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	11,873	17,810
19+20+21	Amount exceeding the 10% threshold	-	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	-
20	Mortgage servicing rights (amount above 10% threshold)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
22	Amount exceeding the 15% threshold	-	-
23	of which: significant investments in the common stock of financials	-	-
24	of which: mortgage servicing rights	-	-
25	of which: deferred tax assets arising from temporary differences	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1 (b)	44,288	
	Common Equity Tier 1 capital		
29	Common Equity Tier 1 capital (CET1) ((a) - (b)) (c)	1,136,906	

(Unit: 1 Million Yen, %)

Basel III template number	Items	March 2015	Exclusion under transitional arrangements
Additional Tier 1 capital: instruments		(3)	
31a	30	Shareholders' equity	-
31b		Stock subscription rights	-
32		Liabilities	-
		Instruments issued by Special Purpose Companies	-
34-35	Minority interest after adjustments		14,862
33+35	Tier 1 capital under Basel II included in Additional Tier 1 capital under transitional Basel III rules		-
33	Capital instruments issued by Daiwa Securities Group Inc. and its Special Purpose Companies		-
35	Capital instruments issued by consolidated subsidiaries and affiliates (excluding Special Purpose Companies of Daiwa Securities Group Inc.)		-
	Additional Tier 1 capital under transitional Basel III rules		25,869
	Foreign currency translation adjustment		25,869
36	Additional Tier 1 capital before regulatory adjustments		(d) 40,732
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments		-
38	Reciprocal cross-holdings in Additional Tier 1 instruments		-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		1,951 2,927
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		-
	Regulatory adjustments of additional Tier 1 capital under transitional Basel III rules		2,892
	Goodwill (net of related tax liability)		2,892
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-
43	Total regulatory adjustments to Additional Tier 1 capital		(e) 4,844
Additional Tier 1 capital			
44	Additional Tier 1 capital ((d) - (e))		(f) 35,887
Tier 1 capital			
45	Tier 1 capital ((c) + (f))		(g) 1,172,794
Tier 2 capital: instruments and allowance		(4)	
46	Shareholders' equity		-
	Stock subscription rights		-
	Liabilities		-
	Capital instruments issued by Special Purpose Companies		-
48-49	Minority interest after adjustments		3,497
47+49	Tier 2 capital under Basel II included in Tier 2 capital under transitional Basel III rules		-
47	Capital instruments issued by Daiwa Securities Group Inc. and its Special Purpose Companies		-
49	Capital instruments issued by consolidated subsidiaries and affiliates (excluding Special Purpose Companies of Daiwa Securities Group Inc.)		-
50	General allowance included and eligible allowance in Tier 2 capital		-
50a	General allowance		-
50b	Eligible allowance		-
	Tier 2 capital under transitional Basel III rules		45,178
	Unrealized holding gain or loss on securities and cash flow hedge reserve		45,178
51	Tier 2 capital before regulatory adjustments		(h) 48,675

(Unit: 1 Million Yen, %)

Basel III template number	Items	March 2015	Exclusion under transitional arrangements
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	119	179
53	Reciprocal cross-holdings in Tier 2 instruments	-	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	9,697	14,546
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
Tier 2 capital adjustments under transitional Basel III rules			
57	Total regulatory adjustments to Tier 2 capital (i)	9,817	
Tier 2 capital			
58	Tier 2 capital ((h) - (i)) (j)	38,857	
Total capital			
59	Total capital ((g) + (j)) (k)	1,211,652	
Risk weighted assets (5)			
Amount of risk weighted assets under transitional Basel III rules		80,812	
	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	35,284	
	Intangible assets (other than Goodwill)	43,357	
	Deferred tax assets excluding assets arising from temporary differences (net of related tax liability)	2,170	
60	Total risk weighted assets (l)	5,747,713	
Consolidated capital adequacy ratio			
61	Common Equity Tier 1 (as a percentage of risk weighted assets) ((c) / (l))	19.7%	
62	Tier 1 (as a percentage of risk weighted assets) ((g) / (l))	20.4%	
63	Total capital (as a percentage of risk weighted assets) ((k) / (l))	21.0%	
Amounts below the thresholds for deduction (before risk weighting) (6)			
72	Non-significant investments in the capital of other financials	113,849	
73	Significant investments in the common stock of financials	46,623	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	10,227	
Applicable caps on the inclusion of allowance in Tier 2 (7)			
76	Allowance eligible for inclusion in Tier 2 in respect of exposures subject to Standardised approach (prior to application of cap)	-	
77	Cap on inclusion of allowance in Tier 2 under Standardised approach	-	
78	Allowance eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of allowance in Tier 2 under internal ratings-based approach	-	
Capital instruments subject to phase out arrangements (8)			
82	Current cap on AT1 instruments subject to Phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to Phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

## Qualitative Disclosure (Consolidated)

### 1. Scope of Consolidation

- A). Discrepancy and the reason in the scope of consolidation defined under consolidated financial statements 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: 50 companies

Major Consolidated Subsidiaries	Businesses
Daiwa Securities Co. Ltd.	Securities related businesses
	Investment advisory and agency businesses
Daiwa Asset Management Co. Ltd.	Investment management businesses
	Investment advisory and agency businesses
Daiwa Institute of Research Holdings Ltd.	Integration and management of subsidiaries
Daiwa Securities Business Center Co. Ltd.	Back office operations
Daiwa Property Co., Ltd.	Lending and borrowing of real estates
Daiwa Next Bank, Ltd.	Banking businesses
Daiwa Institute of Research Ltd.	Information services
Daiwa Institute of Research Business Innovation Ltd.	Information services
Daiwa Corporate Investment Co., Ltd.	Investment businesses
Daiwa PI Partners Co. Ltd.	Investment businesses
Daiwa Securities SMBC Principal Investments Co. Ltd.	Investment businesses
Daiwa Real Estate Asset Management Co., Ltd.	Investment management businesses
	Investment advisory and agency businesses
Daiwa Office Investment Corporation	Investment in specified assets
Daiwa Capital Markets Europe Limited	Securities related businesses
Daiwa Capital Markets Asia Holding B.V.	Integration and management of subsidiaries
Daiwa Capital Markets Hong Kong Limited	Securities related businesses
Daiwa Capital Markets Singapore Limited	Securities related businesses
Daiwa Capital Markets America Holdings Inc.	Integration and management of subsidiaries
Daiwa Capital Markets America Inc.	Securities-related businesses

- C). Number of affiliated companies engaged in financial activities, company names, total assets as well as net assets on balance sheets, and 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). Company names, total assets as well as net assets on balance sheets, and business of companies which belong to Daiwa Group but are not included under the scope of consolidation in the financial statements; and companies which are included under the scope of consolidation in the financial statements but do not belong to Daiwa Group.

Not applicable.

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 Adequacy Assessment Methods

The Group sets 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. 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 within 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, sets alert level for internal management to evaluate the capital adequacy periodically.

### 3. Credit Risk

#### A). Overview of risk management policies and procedures

##### <Credit Risk Management Policy >

The credit risks generated in the trading business of Daiwa consists of counterparty risk and issuer risk. On the counterparty risk, Daiwa has established the credit limits based on ratings of counterparties in advance and monitored notional principals and credit amounts. In addition, concerning the issuer risk of financial instruments held in the trading business, Daiwa has established the upper limit of holding and the holding period in accordance with each issuer's category and credit rating in relation to the relevant financial instruments, and monitored the circumstances of holding them. Moreover, Daiwa is periodically monitoring the influence from the large-lot credit.

##### <Allowance for Doubtful Account>

In order to prepare for the loss from bad debts on loan and others, allowance for doubtful accounts are 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

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

<The policy of Credit Risk Mitigation Techniques>

Collateral is used for the Credit Risk Mitigation Techniques (hereunder CRM Techniques). 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.

#### 5. 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.

#### 6. Securitization Exposures

##### A). Overview of risk management policies and characteristics 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 framework of the regulation set forth under the provision of Article 227 Paragraph 4(iii)-(vi) of the Consolidated Capital Adequacy Ratio Notification

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  
Not applicable
- 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 if the Group uses the Internal Assessment Approach  
Not applicable
- K). Overview if significant change in quantitative information is observed  
Not applicable

## 7. Market Risk

### A). Overview of risk management policies and procedures

Under the Group's trading businesses, 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.

### B). Methods used for calculation of market risk

#### i. Internal models approach

General market risk for Daiwa Securities Co. Ltd., 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 events.

### 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 is used. Assumptions of historical simulation model are stated as followings:

i VaR

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

ii Stress VaR

- Holding Period: 10 business days
- Observation Period: Stress period 260 business days
- Confidence Level: 99%

8. 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.

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

In addition to trading businesses, the Group possesses investment securities for investment as well as business relation purposes. Because those financial instruments have distinct 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.

## 10. 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 loans payable. 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<sup>th</sup> 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. For those currency positions which consists less than 5% of gross asset or liability, upward and downward rate shocks of 200 basis points (2%) is uniformly applied in a parallel move, and changes are being calculated.

11. The amount of each account in balance sheets as in published statements and the reference number in composition of capital disclosure under the assumptions of the financial statements under the regulatory scope of consolidation complying with the Capital Adequacy Ratio Accord item 3

(Unit: 1Million Yen)

Reference number in composition of capital disclosure		March 2015	
		Balance sheets as in published statements	Under regulatory scope of consolidation
	Assets		
	Current assets		
	Cash and deposits	2,985,779	2,985,779
	Cash segregated as deposits	349,094	349,094
	Notes and accounts receivable-trade	18,286	18,286
18, 39, 54, 72, 73	Short-term investment securities	2,629,847	2,629,847
16, 18, 39, 54, 72, 73	Trading products	8,304,368	8,304,368
18, 39, 54, 72, 73	Operational investment securities	156,157	156,157
	Allowance for investment loss	△ 36,633	△ 36,633
	Operating loans	287,010	287,010
	Work in process	1,226	1,226
	Margin transaction assets	240,971	240,971
	Loans secured by securities	6,728,201	6,728,201
	Advances paid	29,640	29,640
	Short-term loans receivable	538	538
	Accrued income	36,578	36,578
10, 75	Deferred tax assets	11,944	11,944
	Other current assets	447,985	447,985
	Allowance for doubtful accounts	△ 323	△ 323
	Total current assets	22,190,674	22,190,674
	Noncurrent assets		
	Property, plant and equipment	458,534	458,534
	Intangible assets	77,082	77,082
8	Goodwill	4,820	4,820
9	Others	72,262	72,262
	Investments and other assets	275,294	275,294
18, 39, 54, 72, 73	Investment securities	241,642	241,642
10, 75	Deferred tax assets	1,899	1,899
	Others	31,753	31,753
	Total noncurrent assets	810,911	810,911
	Total assets	23,001,585	23,001,585

(Unit: 1 Million Yen)

Reference number in composition of capital disclosure		March 2015	
		Balance sheets as in published statements	Under regulatory scope of consolidation
	Liabilities		
	Current liabilities		
	Notes and accounts payable-trade	5,468	5,468
	Trading products	6,014,287	6,014,287
	Trading date accrual	288,309	288,309
	Margin transaction liabilities	55,051	55,051
	Loans payable secured by securities	7,553,191	7,553,191
	Deposits from banking business	2,745,681	2,745,681
	Deposits received	249,183	249,183
	Guarantee deposits received	503,974	503,974
	Short-term loans payable	1,011,879	1,011,879
	Commercial paper	388,380	388,380
	Current portion of bonds	264,942	264,942
	Income taxes payable	13,804	13,804
	Deferred tax liabilities	25,931	25,931
	Provision for bonuses	35,438	35,438
	Other current liabilities	198,359	198,359
	Noncurrent liabilities		
	Bonds payable	1,179,092	1,179,092
	Long-term loans payable	946,408	946,408
	Deferred tax liabilities	25,983	25,983
	Net defined benefit liabilities	36,237	36,237
	Provision for loss on litigation	1,877	1,877
	Negative goodwill	-	-
	Other noncurrent liabilities	19,494	19,494
	Reserves under the special laws	3,926	3,926
	Total liabilities	21,566,904	21,566,904
	Net assets		
	Shareholders' equity		
1a	Common stock	247,397	247,397
1a	Capital surplus	231,283	231,283
2	Retained earnings	623,755	623,755
1c	Treasury stock	△ 15,771	△ 15,771
1c	Advances on subscription of treasury stock	3	3
	Total shareholders' equity	1,086,668	1,086,668
	Accumulated other comprehensive income		
	Valuation difference on available-for-sale securities	135,687	135,687
11	Deferred gains or losses on hedges	△ 26,815	△ 26,815
	Foreign currency translation adjustment	43,116	43,116
3	Total accumulated other comprehensive income	151,988	151,988
1b	Subscription rights to shares	8,205	8,205
34-35, 48-49	Minority interests	187,818	187,818
	Total net assets	1,434,680	1,434,680

## Quantitative Disclosure (Consolidated)

1. The name as well as the total amount that is lower than required capital for Daiwa Group's subsidiary within subsidiaries that are classified as significant investments in the capital of financial institutions.  
Not applicable

### 2. Capital adequacy

#### Capital requirements for credit risk

(Unit: 1Million Yen)

	March 2015
On-balance transactions	132,574
1.Cash	-
2.Japanese government and central bank	-
3.Non-Japanese sovereign and central bank	155
4.Bank for International Settlements (BIS)	-
5.Japanese local public authorities	-
6.Non-Japanese public sector entities (excluding sovereign)	137
7.Multilateral Development Banks (MDBs)	-
8.Japan Finance Organization for Municipalities (JFM)	1,129
9.Japanese government-sponsored entities	2,692
10.Three major local public corporations of Japan	-
11.Financial institutions and securities firms	10,623
12.Corporates	25,474
13.SMEs and individuals (risk weight 75% applied)	-
14.Residential mortgage loans	-
15.Projects including acquisition of real estate properties	81
16.Past due exposures for three months or more	216
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	26,537
21.Others	43,329
22.Securitizations (as an originator)	-
23.Securitizations (not as an originator)	2,451
24.Fund	19,743

(Unit: 1Million Yen)

	March 2015
Off-balance transactions	65,799
1.Unconditionally or automatically cancellable commitments	-
2.Commitments with an original maturity up to one year	136
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 the IRB Approach	-
8.Direct credit substitutes and acceptances	180
9.Sale and repurchase agreements and asset sales with recourse	-
10.Forward asset purchases, forward deposits and partly-paid shares and securities	-
11.Lending or posting of securities as collateral	25,869
12.Derivative transactions	38,891
13.Long settlement transactions	28
14.Unsettled transactions	524
15. Securitization exposure qualifies as an 'eligible liquidity facility' or an 'eligible servicer cash advance facility'	-
16.Others (Securitization off-balance transactions)	169
CVA risk capital charge	61,560
Exposures to Central Counterparties(CCPs)	2,200
Total capital requirements for credit risk	262,134

※ There is no applicable credit risk exposure which is calculated under IRB approach.

### Capital requirements for market risk

(Unit: 1Million Yen)

	March 2015
Standardized approach	69,925
Interest rate risk	54,838
Equity risk	12,153
Foreign exchange risk	2,716
Commodities risk	0
Option transactions	-
Internal models approach	46,902
Total capital requirements for market risk	116,827

### Capital requirements for operational risk

(Unit: 1Million Yen)

	March 2015
Basic indicator approach	80,855
Standardized approach	-
Advanced measurement approach	-
Total capital requirements for operational risk	80,855



## Total capital requirements

(Unit: 1Million Yen)

	March 2015
Credit risk	262,134
Market risk	116,827
Operational risk	80,855
Total capital requirements	459,816

### 3. Credit risk exposures (excluding exposures under IRB approach and securitization exposures)

#### Exposures by geographical area, industry, and residual contractual maturity

【March 2015】

(Unit: 1Million Yen)

	Credit risk exposures						Past due exposures for three months or more
	Loans	Repo	Derivatives	Securities	Others <sup>(※)</sup>		
Japan	19,628,171	165,929	6,698,869	5,399,919	2,997,691	4,365,762	2,391
Overseas	11,662,127	6,737	11,287,392	78,012	8,742	281,241	210
Total (by area)	31,290,298	172,666	17,986,262	5,477,931	3,006,433	4,647,003	2,602
Sovereign	5,574,435	5,767	809,826	77,888	2,161,686	2,519,266	1
Financial institutions	9,407,338	3,417	4,693,058	4,036,821	57,719	616,321	0
Corporate	6,084,092	61,988	5,132,327	511,287	247,727	130,760	2,588
Individuals	333,696	101,492	-	78	-	232,126	13
CCPs	8,401,147	-	7,351,049	851,856	-	198,241	-
Others	1,489,587	-	-	-	539,299	950,287	-
Total (by industry)	31,290,298	172,666	17,986,262	5,477,931	3,006,433	4,647,003	2,602
≤ 1year	16,837,069	112,368	16,133,332	380,168	20,416	190,781	/
> 1year ≤ 3years	377,370	-	-	275,249	102,121	-	
> 3year ≤ 5years	1,709,531	2	-	1,582,444	127,037	48	
> 5year ≤ 7years	3,564,771	16	-	2,501,974	1,062,781	-	
> 7year	1,187,893	180	-	736,141	451,571	-	
Indeterminate	7,613,662	60,099	1,852,929	1,953	1,242,505	4,456,173	
Total (by maturity)	31,290,298	172,666	17,986,262	5,477,931	3,006,433	4,647,003	

※ Including deposits, properties and equipments, intangible assets.

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

(Unit: 1Million Yen)

Type of allowances	Geographic area	March 2015	Changes
General allowance		-	-
Specific allowance	Japan	39,206	996
	Overseas	80	7
Allowance to specific foreign obligations		-	-
Type of allowance	Industry		
General allowance		-	-
Specific allowance	Sovereign	-	-
	Financial institutions	-	-
	Corporate	1,141	543
	Individuals	2	△ 0
	Others	38,142	459
Allowance to specific foreign obligations		-	-

Loan write-off by industry

Not applicable.

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

(Unit: 1Million Yen)

Risk weight	March 2015		
	Exposure amounts		
		Application of external rating	Others
0%	4,626,831	565,692	4,061,139
2%	537,665	-	537,665
10%	196,676	-	196,676
20%	2,484,488	2,154,048	330,439
35%	257	-	257
50%	272,032	271,361	670
75%	-	-	-
100%	1,472,338	46,995	1,425,342
150%	1,971	1,651	320
250%	82,081	-	82,081
1250%	949	-	949
Other	276,036	-	276,036
Total	9,951,329	3,039,749	6,911,580

#### 4. Credit Risk Mitigation (CRM) Techniques

Exposure for which CRM Techniques are applied

(Unit: 1Million Yen)

Type	March 2015
Cash	9,616,536
Debts	7,916,710
Equities	535,881
Mutual funds	-
Eligible Financial Collateral Total	18,069,129

#### 5. Counterparty risk for derivative transactions and long settlement transactions

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

【March 2015】

(Unit: 1Million Yen)

	Gross replacement cost	Gross add-on	Credit equivalent amounts
Foreign exchanges	968,444	704,598	1,673,043
Interest rates	1,532,070	804,334	2,336,404
Equities	542,475	329,827	872,303
Other commodities	-	-	-
Credit derivatives	50,614	546,542	597,157
Total (A)	3,093,604	2,385,303	5,478,908
Benefit through close-out netting agreements (B)			3,575,019
Credit equivalent amounts after netting (C=A-B)			1,903,889
Credit Risk Mitigation benefits (D)			399,355
Cash			326,841
Debts			62,889
Equities			9,624
Mutual funds			-
Credit equivalent amounts after netting and CRM benefits (C-D)			1,504,533

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

(Unit: 1Million Yen)

Credit derivatives type	March 2015	
	Notional amounts	
	Protection bought	Protection sold
Credit default swaps	3,219,626	3,097,826

Notional amount of credit derivatives used for CRM purpose  
Not applicable

6. 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: 1Million Yen)

Underlying assets	March 2015			
	Exposure amounts		Risk weight 1250%	
		Resecuritization		Resecuritization
Loans and receivables	163,786	-	-	-
Real estate	-	-	-	-
Equities	-	-	-	-
Others	-	-	-	-
Total	163,786	-	-	-

ii. Exposures balance and capital requirements by risk weight

(Unit: 1Million Yen)

Risk weight	March 2015			
	Exposure amounts		Capital requirements	
		Resecuritization		Resecuritization
≤ 20%	163786	-	2,620	-
> 20% ≤ 50%	0	-	-	-
> 50% ≤ 100%	0	-	-	-
> 100% ≤ 350%	-	-	-	-
> 350% < 1250%	-	-	-	-
1250%	0	-	-	-
Total	163,786	-	2,620	-

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 assets

(Unit: 1Million Yen)

Underlying assets	March 2015			
	Exposure amounts		Risk weight 100%	
		Resecuritization		Resecuritization
Loans and receivables	7,937	-	-	-
Real estate	-	-	-	-
Equities	-	-	-	-
Others	-	-	-	-
Total	7,937	-	-	-

ii. Exposure balance and capital requirements by risk weight

(Unit: 1Million Yen)

Risk weight	March 2015			
	Exposure amounts		Capital requirements	
		Resecuritization		Resecuritization
≤ 3.2%	7,937	-	126	-
> 3.2% ≤ 8%	-	-	-	-
> 8% ≤ 18%	-	-	-	-
> 18% ≤ 52%	-	-	-	-
> 52% < 100%	-	-	-	-
100%	-	-	-	-
Total	7,937	-	126	-

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

Not applicable

## 7. Market risk

### Internal models approach Value at Risk (VaR) results

(Calculation method)

Historical Simulation Method

Holding period: 10 business days and a 99% confidence level

【March 2015】

(Unit: 1Million Yen)

	March 2015	
	VaR	Stress VaR
Amount as of March 31,2015	6,430	10,492
Maximum	9,995	23,092
Average	3,246	8,988
Minimum	1,086	4,146

Excess number of backtesting	March 2015
	1 time

※ Backtesting

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

The excess number of backtesting is the number of times that losses exceeded VaR over a given holding period.

8. Equity exposure on non trading accounts

A). Booking and market values on consolidated balance sheets

(Unit: 1Million Yen)

	March 2015	
	Consolidated balance sheets amount	Market value
Listed equity exposure	198,429	198,429
Others	89,189	

※ 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-off on equity exposures

(Unit: 1Million Yen)

March 2015		
Gains on sales	Losses on sales	Write-off
5,246	244	406

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

(Unit: 1Million Yen)

	March 2015
Unrealized gains / losses	105,680

※ Only securities which have adequate market values are disclosed hereby.

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

(Unit: 1Million Yen)

	March 2015
Unrealized gains / losses	680

※ Only securities which have adequate market values are disclosed hereby.

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

9. Credit risk exposure calculation set forth under Article 144 of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA is applied  
Not applicable
10. 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

【March 2015】

Interest rate risk under non trading accounts

- i. Financial asset and liability except for those possessed by the Group companies that transact banking business under the assumption of a change in interest rate for 10 basis point (i.e. 0.1%), we anticipate that the market value of "Bonds payable" and "Long-term loans payable" to change approximately 1.7 billion yen
- ii. Financial assets and liabilities possessed by the Group companies that transact banking business under the assumption of a change in interest rate and all the other risks fixed: we anticipate the market value to be reduced by 14.6 billion yen.



## Composition of Consolidated Leverage Ratio

(Unit: 1 Million Yen, %)

Basel III template number (2)	Basel III template number (1)	Items	March 2014	March 2015
On-balance sheet exposures			(1)	
1		On-balance sheet items before adjustments		12,708,538
1a	1	Total Assets in the consolidated balance sheet		23,001,585
1b	2	Total Assets held by group companies which are not included in the scope of consolidated leverage ratio		0
1c	7	Total Assets held by group companies which are included in the scope of consolidated leverage ratio(except for the asset included in the total asset in the consolidated balance sheet)		0
1d	3	Assets other than the adjustments that are excluded from the total assets in the consolidated balance sheet.		10,293,047
2	7	Common Equity Tier 1 capital: regulatory adjustments		49,132
3		Total on-balance sheet exposures (excluding derivatives and SFTs) (A)		12,659,406
Derivative exposures			(2)	
4		Replacement cost associated with all derivatives transactions		741,458
5		Add-on amounts for PFE associated with all derivatives transactions		1,151,023
				207,600
6		Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework		0
7		Deductions of receivables assets for cash variation margin provided in derivatives transactions)		59,640
8		Exempted CCP leg of client-cleared trade exposures		
9		Adjusted effective notional amount of written credit derivatives		3,097,826
10		Adjusted effective notional offsets and add-on deductions for written credit derivatives		2,674,233
11	4	Total derivative exposures (sum of lines 4 to 10) (B)		2,464,034
Securities financing transaction exposures			(3)	
12		Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions		8,634,359
13		Netted amounts of cash payables and cash receivables of gross SFT assets		1,959,973
14		CCR exposure for SFT assets		240,088
15		Agent transaction exposures		
16	5	Total securities financing transaction exposures (sum of lines 12 to 15 (C)		6,914,474
Other off-balance sheet exposures			(4)	
17		Off-balance sheet exposure at gross notional amount		44,073
18		Adjustments for conversion to credit equivalent amounts		7,203
19	6	Off-balance sheet items (D)		36,870
Capital and total exposures			(5)	
20		Tier 1 capital (E)		1,172,794
21	8	Total exposures (A)+(B)+(C)+(D) (F)		22,074,784
22		Basel III consolidated leverage ratio(E)/(F)		5.31%

## Overview of main features of regulatory capital instruments

1	Issuer	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment	
4	Transitional Basel III rules	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Common stock
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)	
	Consolidated Capital Adequacy Ratio	1,059,339 million Yen
9	Par value of instrument	—
10	Accounting classification	
	Consolidated balance sheets	Shareholders' equity
11	Original date of issuance	—
12	Perpetual or dated	NA
13	Original maturity date	—
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	—
16	Subsequent call dates, if applicable	—
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	—
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	—
25	If convertible, fully or partially	—
26	If convertible, conversion rate	—
27	If convertible, mandatory or optional conversion	—
28	If convertible, specify instrument type convertible into	—
29	If convertible, specify issuer of instrument it converts into	—
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	—
32	If write-down, full or partial	—
33	If write-down, permanent or temporary	—
34	If temporary write-down, description of write-up mechanism	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2006	Stock subscription right series 3
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	273 million Yen	1,182 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2006	September 4, 2006
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2026	June 23, 2016
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2007	Stock subscription right series 4
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	295 million Yen	825 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2007	September 3, 2007
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2027	June 22, 2017
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2008	Stock subscription right series 5
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	275 million Yen	668 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2008	September 8, 2008
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2028	June 20, 2018
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2009	Stock subscription right series 6
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	332 million Yen	401 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2009	November 9, 2009
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2029	June 19, 2019
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2010	Stock subscription right series 7
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	369 million Yen	583 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2010	September 1, 2010
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2030	June 25, 2020
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2011	Stock subscription right series 8
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	424 million Yen	387 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2011	September 5, 2011
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2031	June 24, 2021
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—



1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in February 2013	Stock subscription right series 9
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	464 million Yen	600 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	February 12, 2013	February 12, 2013
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2032	June 26, 2022
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in February 2014	Stock subscription right series 10
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	382 million Yen	309 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	February 10, 2014	February 10, 2014
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2033	June 25, 2023
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in February 2015	Stock subscription right series 11
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	392 million Yen	38 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	February 9, 2015	February 9, 2015
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2034	June 25, 2024
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Office Investment Corporation
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment	
4	Transitional Basel III rules	Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital
5	Post-transitional Basel III rules	Additional Tier 1 capital, Tier 2 capital
6	Eligible at solo/group/group&solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Investment unit
8	Amount recognised in regulatory capital (Currency in millions, as of the most recent reporting date)	
	Consolidated Capital Adequacy Ratio	71,213 million Yen
9	Par value of instrument	—
10	Accounting classification	
	Consolidated balance sheets	Minority interest
11	Original date of issuance	—
12	Perpetual or dated	NA
13	Original maturity date	—
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	—
16	Subsequent call dates, if applicable	—
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	—
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	—
25	If convertible, fully or partially	—
26	If convertible, conversion rate	—
27	If convertible, mandatory or optional conversion	—
28	If convertible, specify instrument type convertible into	—
29	If convertible, specify issuer of instrument it converts into	—
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	—
32	If write-down, full or partial	—
33	If write-down, permanent or temporary	—
34	If temporary write-down, description of write-up mechanism	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	—

End