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Corporate Summary

Profile

Daiwa Securities Group is a comprehensive financial services firm with a strong domestic network of 142 branches and sales offices nationwide, as well as a global network of operating offices in 20 countries and regions. The primary businesses of the Group are Retail, Wholesale and Asset Management.

All business divisions and offices in Japan and overseas work in close cooperation, seeking ways to enhance synergy and provide a broad selection of financial products and services that meet the diverse needs of customers.

Daiwa Securities Group in Numbers

¥54.6 trillion

Customer Assets under Custody
—Daiwa Securities

In FY2014, customer assets under custody increased steadily, mainly in fund wrap services and stock investment trusts amid a stock market rally. The domestic client base has further solidified and expanded steadily.

3,719 thousand

Cash Management Service Accounts
—Daiwa Securities

The number of cash management service accounts continues to exhibit firm growth. Daiwa's cash management service delivers a high level of convenience through the integrated management of customers' assets from deposits through withdrawals to asset management.

¥19.5 trillion*1

Assets under Management

Amid strong growth in asset balances across the industry, Daiwa Securities Group's two Asset Management Division companies, which provide publicly offered investment trusts, had a combined asset balance of ¥13.5 trillion, a record high.

¥3.0 trillion

Deposits in Daiwa Next Bank

The balance of deposits at Daiwa Next Bank has steadily expanded, reaching ¥3 trillion in its fourth year of operations. The number of deposit accounts has exceeded 1 million. New securities transactions have also expanded as a result of a sweep function linked to the NISA accounts and Cash Management Service accounts at Daiwa Securities.

24 deals \$24.6 billion*2

Book Runner for Global Benchmark
Dollar-Denominated Bonds

Daiwa Securities contributes to the global circulation of money by providing international institutions and political bodies around the world with services to raise funds in key international capital markets.

20 countries
and regions

Number of Overseas Bases

Working through its overseas network as a comprehensive financial services group, Daiwa Securities Group supports Japanese companies to procure funds and expand their businesses overseas while providing a variety of products that offer internationally diversified investment opportunities to investors in Japan.

¥616.7 billion*3

Sales Amount of Impact Investment
Bonds

Daiwa Securities Group has sold a variety of Impact Investment bonds as a means of contributing to resolve socio-economic issues as a financial institution.

19/118 branches and
sales offices*4Number of Female Branch Managers
at Daiwa Securities

Daiwa Securities proactively promotes female employees to foster a cadre of women capable of leading Japan's financial industry. Daiwa Securities has opened 10 new sales offices since April 2014, expanding its network to 118 head and branch offices and 24 sales offices (a total of 142 locations) across Japan.

1/12*5 companies

Nadeshiko Brand Stocks and
Health Management Stocks

Nadeshiko Brand Stocks are companies selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for having excellent track records in empowering women at their companies. Health Management Stocks are companies selected in each sector for taking a strategic approach to managing the health of their employees from a management perspective.

*1 Assets under management are the total for Daiwa Asset Management Co. Ltd. (stock investment trusts and bond investment trusts) and Daiwa SB Investments Ltd. (investment trusts and investment advisory)

*2 FY2014 Results (Source: Daiwa Securities)

*3 Cumulative data as of March 31, 2015 (Source: Daiwa Securities)

*4 As of June 30, 2015

*5 12 companies have been recognized as both Nadeshiko Brand Stocks and Health Management Stocks.

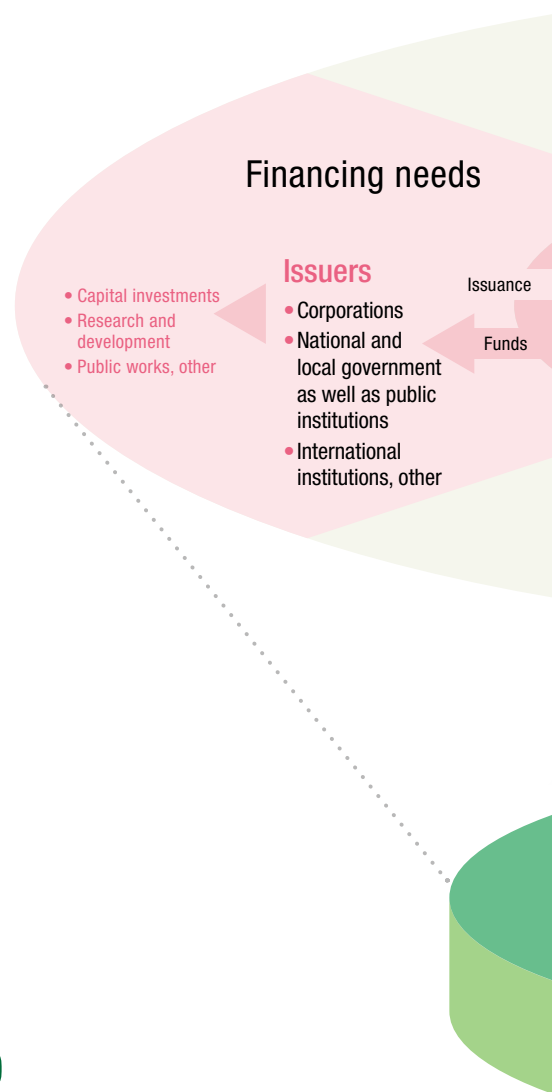
Daiwa Securities Group's Role

Daiwa Securities Group fulfills the role of connecting the need to manage assets and the need to raise funds.

On the asset management side, the Group offers appropriate investment information and advice, as well as a comprehensive and diverse lineup of financial products and services to meet the various needs of individual investors, corporations and institutional investors.

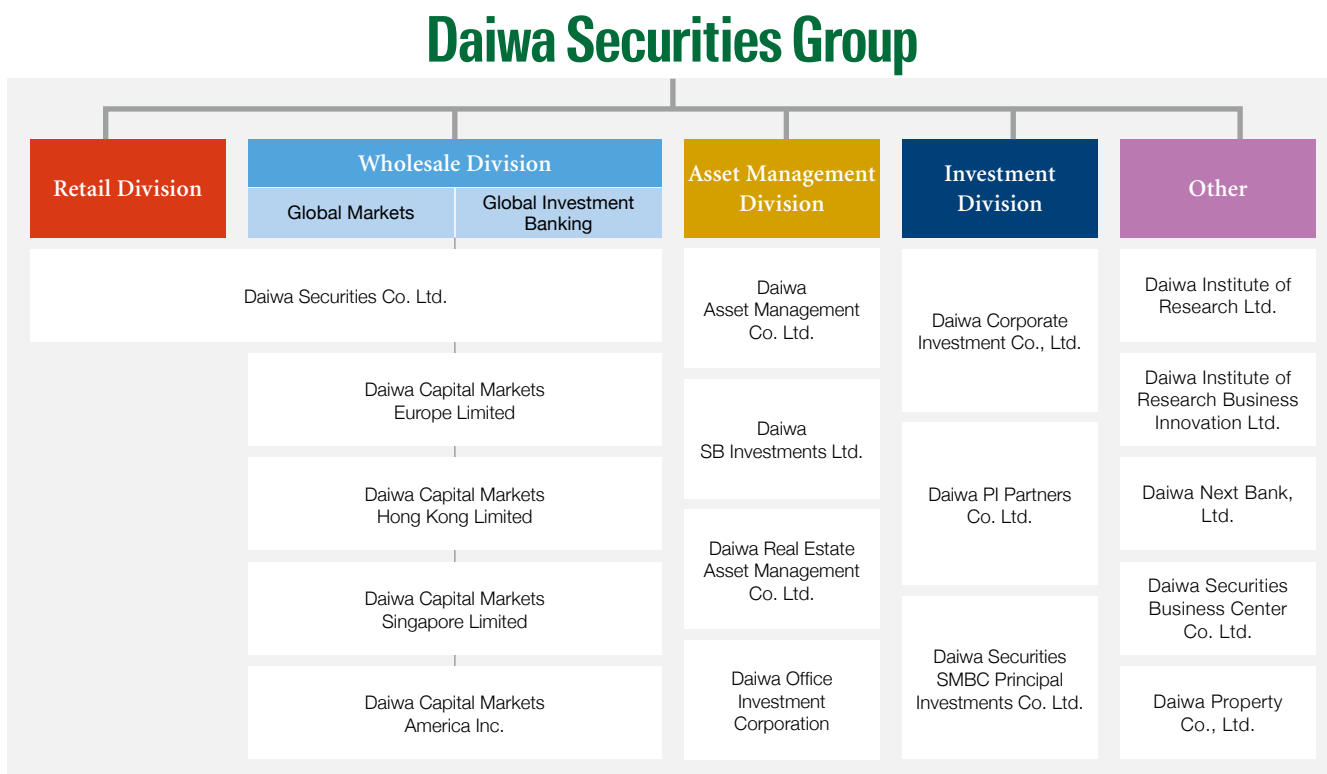
On the financing side, the Group provides advice and assistance to corporations, in their efforts to procure operating funds, as well as to national and local governments, public institutions, and international institutions, through the issuance of securities including equities and bonds, and the structuring of securitized products.

From its position as a financial institution, Daiwa Securities Group is endeavoring to fulfill its social mission of contributing to the advancement of society and the economy, through financial and capital markets.

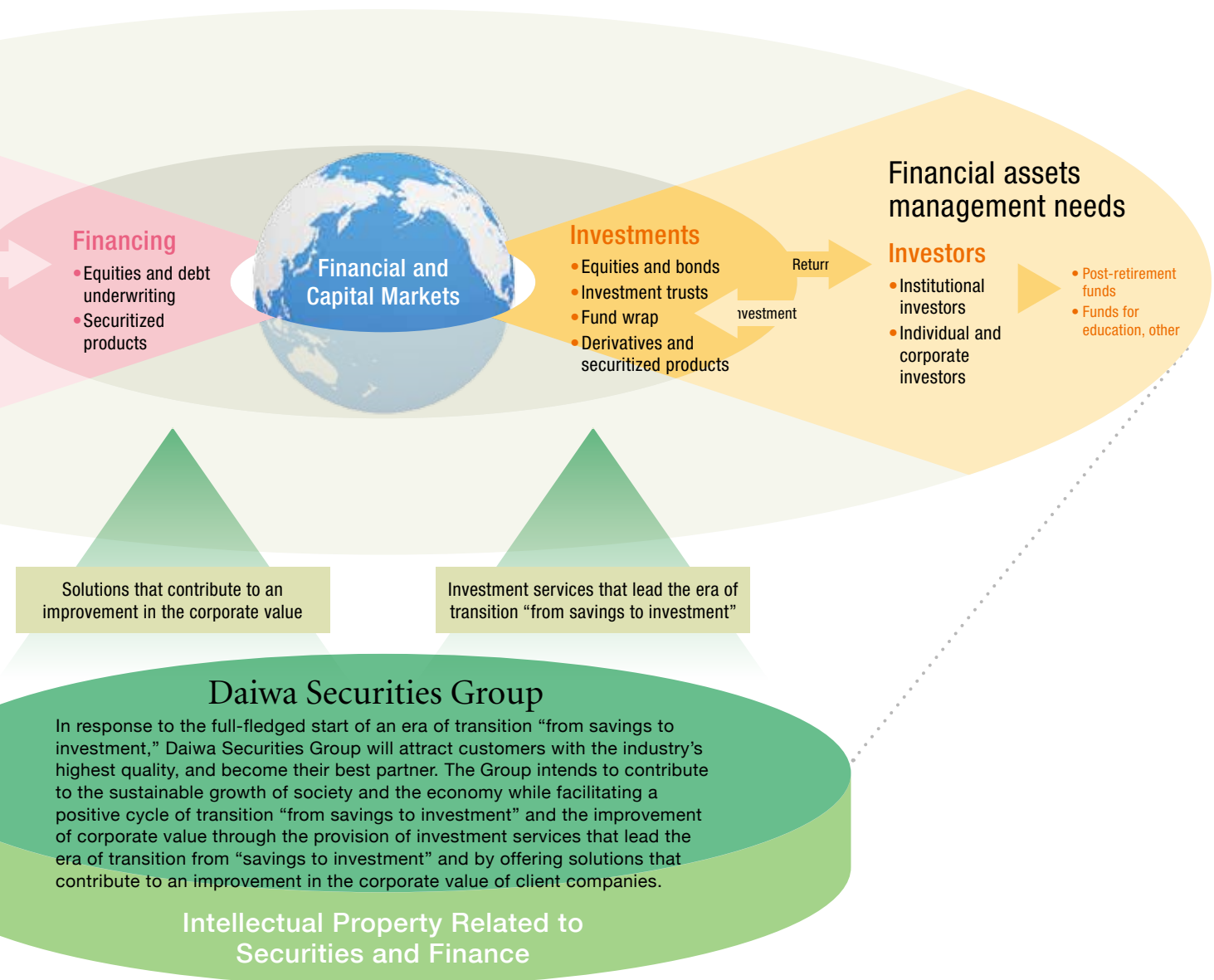


Structure of Major Companies in the Daiwa Securities Group

(As of June 30, 2015)



Positive cycle of transition “from savings to investment” and the improvement of corporate value



➤ Financial Assets Management	Daiwa Securities Group meets the asset management needs of customers including individual and institutional investors and pension funds by providing an extensive lineup of investment products – equities, bonds, investment trusts, and fund wrap – as well as a variety of services such as investment information and advice. Customers can take advantage of various functions and capabilities, including contact centers, online trading, banking, and securities trading.
➤ Consulting	Daiwa Securities Group provides consulting services to individual customers on areas including wealth management, pensions, insurance, and inheritance. Consulting services for corporate clients offer support for business succession, business insurance, and employee benefit issues.
➤ Financing	Daiwa Securities Group offers underwriting and other advisory services to meet the financing needs of corporations for their capital investments as well as R&D. It also provides those services to national and local governments, international institutions, public corporations, and other entities to assist their procurement of operating funds. The Group supports financing through the issuance of equities and bonds, or by structuring securitized products.
➤ Advisory Services	Daiwa Securities Group offers consulting and intermediary services such as M&A to meet client corporations’ needs to expand their operations. The Group has a global network covering Japan, the Americas, Europe, and Asia, in response to vibrant cross-border M&A activity by Japanese and foreign corporations.
➤ Investment	Through Group companies of private equity firms and venture capital firms, Daiwa Securities Group mainly takes capital positions in unlisted companies –both new ventures and established businesses – using hands-on investment techniques to supply these companies with management support as well as funding.

Domestic and Overseas Network of the Daiwa Securities Group

(As of June 30, 2015)

Daiwa Securities' Domestic Branch Network

Hokkaido and Tohoku Region	10 offices
Kanto Region (excl. Tokyo)	29 offices
Tokyo Area	38 offices
Chubu and Hokuriku Region	21 offices
Kinki Region	21 offices
Chugoku and Shikoku Region	13 offices
Kyushu and Okinawa Region	10 offices

Total 142
(118 head and branch offices / 24 sales offices)

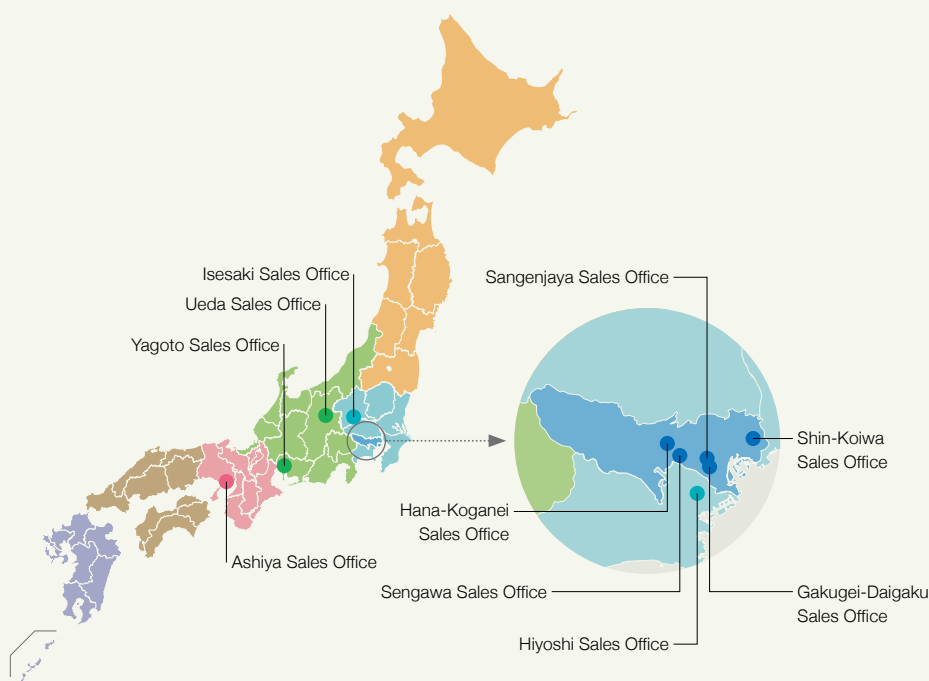
10 Sales Offices Opened between April 2014 and June 2015

2014

Apr. Sangenjaya Sales Office	Tokyo
Apr. Sengawa Sales Office	Tokyo
Jun. Shin-Koiwa Sales Office	Tokyo
Jul. Gakugei-Daigaku Sales Office	Tokyo
Sep. Hiyoshi Sales Office	Kanagawa
Oct. Yagoto Sales Office	Aichi
Nov. Ashiya Sales Office	Hyogo

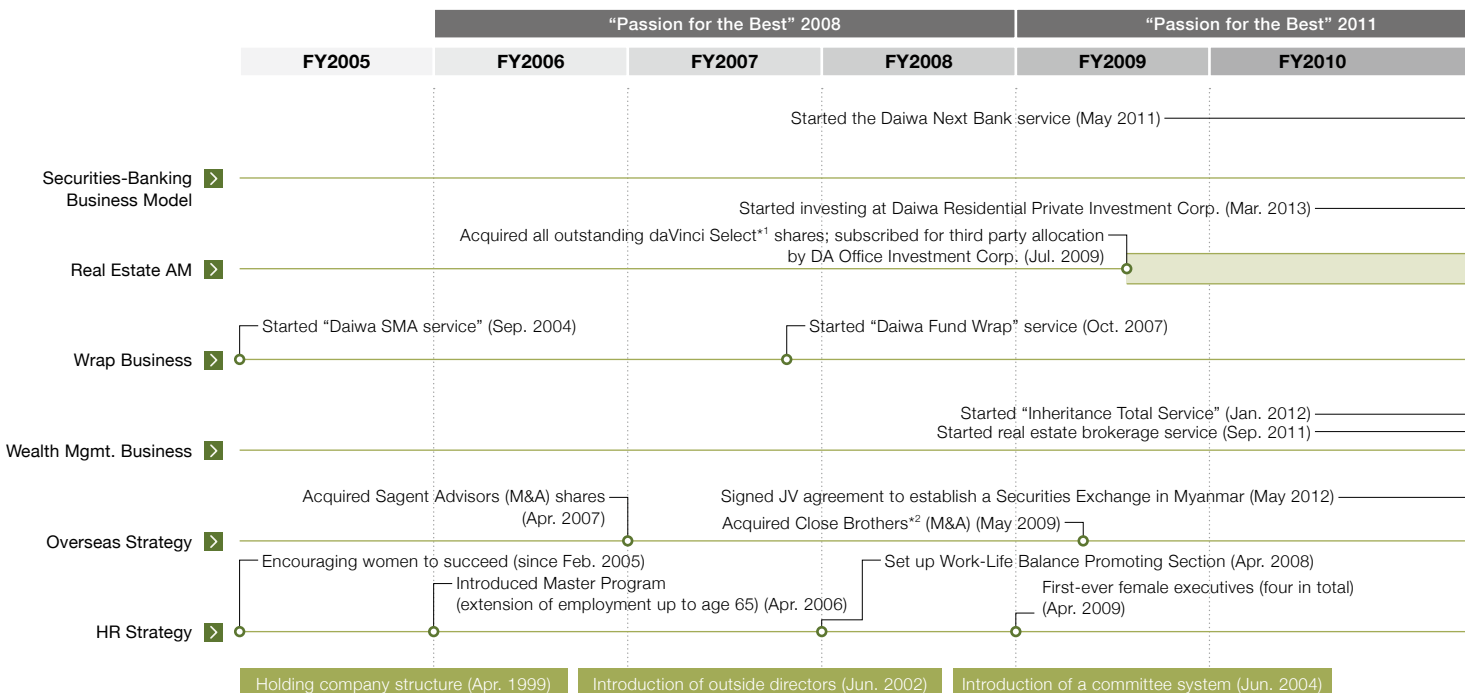
2015

Jan. Hana-Koganei Sales Office	Tokyo
May Ueda Sales Office	Nagano
Jun. Isesaki Sales Office	Gunma



A Decade of Progress at Daiwa Securities Group

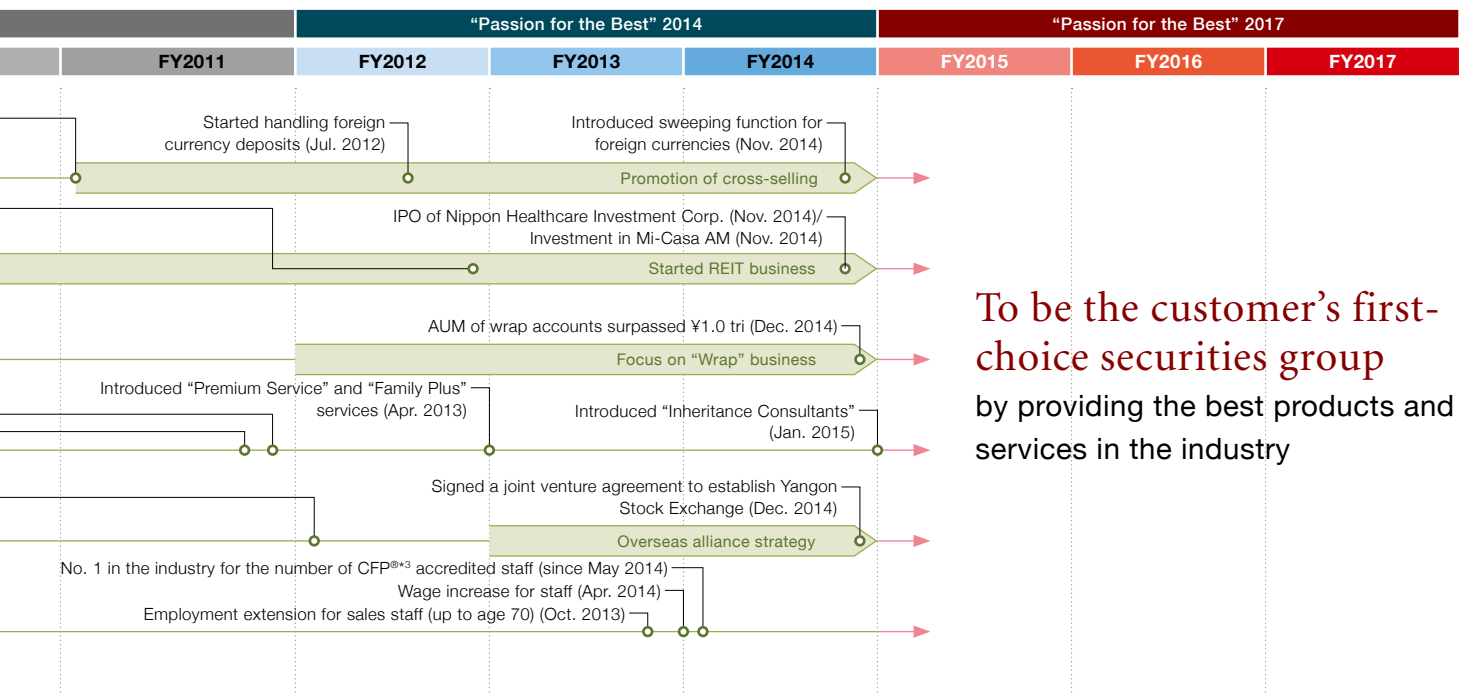
The Daiwa Securities Group will continue to open up new frontiers as a pioneer of financial and capital markets, and exceed prevailing standards.



*1 Currently Daiwa Real Estate Asset Management Co. Ltd.

*2 Currently Daiwa Corporate Advisory Limited

*3 A Certified Financial Planner qualification represents the highest level of financial planning expertise. The CFP qualification process is overseen by the Japan Association for Financial Planners, which is a member of the international Financial Planning Standards Board Ltd.



To be the customer's first-choice securities group
by providing the best products and services in the industry

Consolidated Financial and Non-Financial Highlights

Daiwa Securities Group Inc. (Consolidated)

Note: Please refer to pages 66–67 for the "Twelve-Quarter Financial Summary."

	Millions of yen (Except as otherwise specified)				
	FY2010	FY2011	FY2012	FY2013	FY2014
Operating Performance					
Operating revenues	403,042	422,375	525,412	642,830	659,396
Commissions	218,630	220,845	229,522	301,937	291,116
Net gain on trading	92,477	79,416	123,537	156,500	157,220
Net gain (loss) on private equity and other investments	(17,260)	1,956	16,531	17,454	7,416
Interest and dividend income	71,916	79,762	93,276	107,975	125,934
Service fees and other revenues	37,278	40,396	62,545	58,964	77,710
Interest expense	58,062	59,690	70,131	60,333	80,070
Cost of service fees and other revenues	26,415	26,668	37,973	40,546	47,106
Net operating revenues	318,565	336,016	417,308	541,951	532,220
Selling, general and administrative expenses (SG&A)	363,920	359,729	333,496	357,358	361,380
Operating income (loss)	(45,355)	(23,713)	83,812	184,593	170,840
Ordinary income (loss)	(32,602)	(12,201)	95,176	197,045	184,578
Net income (loss)	(37,332)	(39,435)	72,910	169,457	148,491
Comprehensive income (loss)	(45,049)	(52,580)	139,327	221,257	217,006
Financial Conditions (Fiscal year-end)					
Total assets	16,842,412	18,924,038	19,049,099	19,480,864	23,001,586
Net assets	921,399	951,702	1,082,568	1,253,463	1,434,681
Per Share Data (Yen)					
Net income (loss)*1	(21.90)	(23.41)	43.00	99.63	87.07
Net assets	496.76	463.04	536.72	633.53	725.27
Cash dividends applicable to the year	6.00	6.00	15.00	34.00	30.00
Consolidated Capital Adequacy Ratio *2 (Fiscal year-end, 100 millions of yen)					
Total Qualifying Capital	9,668	9,742	—	—	—
Total Qualifying Capital (D)=(A)+(B)+(C)	—	—	9,531	10,804	12,117
Common Equity Tier 1 (A)	—	—	9,048	10,218	11,369
Additional Tier 1 (B)	—	—	—	157	359
Tier 2 Capital (C)	—	—	483	429	389
Total Risk-Weighted Assets (E)	35,453	35,545	47,552	49,515	57,477
Credit Risk	15,843	17,918	27,526	29,205	32,767
Market Risk*3	12,903	10,141	12,758	11,557	14,603
Operational Risk*3	6,707	7,487	7,268	8,753	10,107
Consolidated Common Equity Tier 1 Capital Ratio (A)/(E)	—	—	19.0%	20.6%	19.7%
Consolidated Tier 1 Capital Ratio ((A)+(B))/(E)	—	—	19.0%	20.9%	20.4%
Consolidated Capital Adequacy Ratio	27.2%	27.4%	—	—	—
Consolidated Total Capital Ratio (D)/(E)	—	—	20.0%	21.8%	21.0%
Non-Financial Information					
Number of women in management positions	162	170	190	221	262
Number of employees using childcare leave	352	408	453	505	710
Corporate citizenship activity expenses	675	499	504	463	606

*1 Net income (loss) per share is calculated on the basis of the average number of shares outstanding during the fiscal year.

*2 Consolidated Capital Adequacy Ratio hereunder is calculated under the principal of Financial Services Agency Public Notice 130 of the Financial Instruments and the Exchange Act (Article 57-17-1). Numerical data for FY2010 and FY2011 is calculated based on the Basel II standards. Numerical data from FY2012 is calculated based on Basel III standards in line with revision to the aforementioned Financial Services Agency Public Notice.

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

Operational Data

Billions of yen (Except as otherwise specified)

Daiwa Securities

	FY2012	FY2013	FY2014
Customer assets*	45,967	48,471	54,678
Equities	23,862	26,703	32,230
Bonds	13,952	13,012	12,248
Investment trusts	7,138	7,594	8,934
Others	1,014	1,161	1,265

Sales of core products (Retail division)

Stock investment trusts	1,842	2,428	2,237
Foreign bonds and others	1,104	1,469	1,306

Net inflow of retail assets (Retail division)

Individuals	615	522	1,067
Unlisted corporations, etc.	404	255	707
	210	266	359

Cash Management Service (CMS) accounts* (thousands)

	3,492	3,603	3,719
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Online trading accounts* (thousands)

	2,586	2,753	2,904
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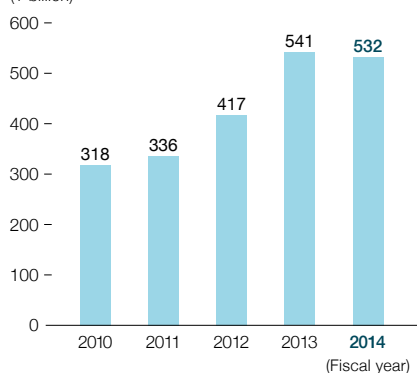
Daiwa Asset Management

Net assets under management*	10,476	12,023	14,346
Stock investment trusts	7,875	8,958	11,032
Bond investment trusts	2,600	3,065	3,314

* As of the end of each fiscal year

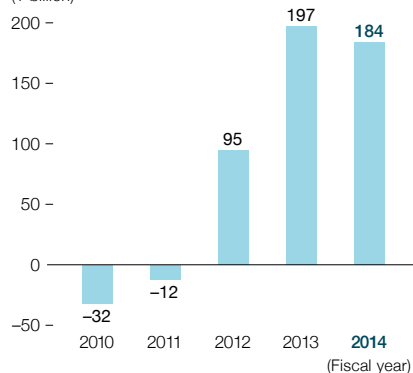
Net Operating Revenues

(¥ billion)



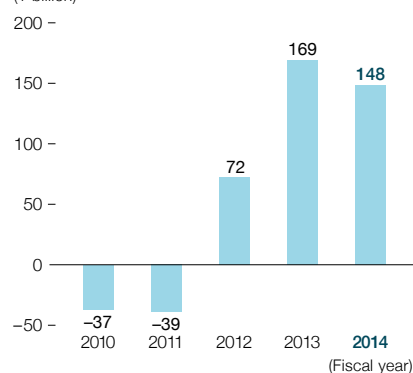
Ordinary Income

(¥ billion)

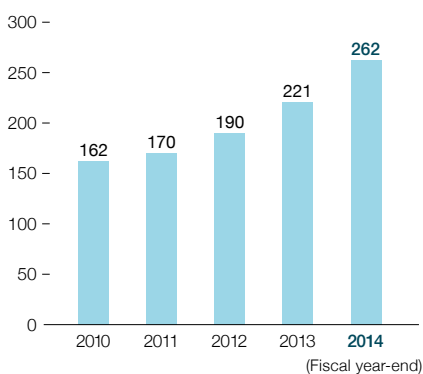


Net Income

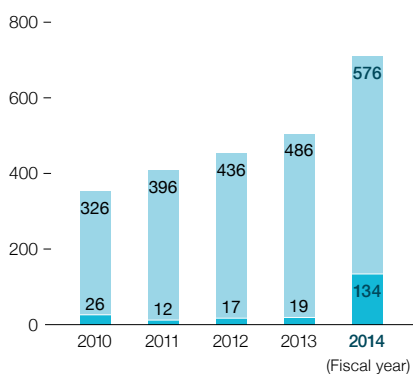
(¥ billion)



Number of Women in Management Positions

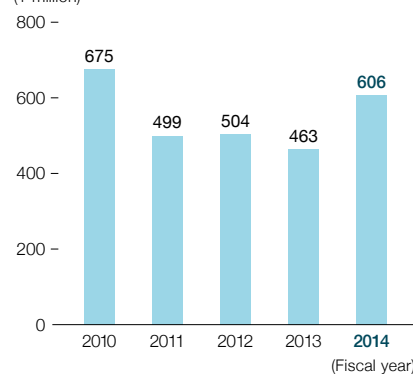


Number of Employees Using Childcare Leave



Corporate Citizenship Activity Expenses

(¥ million)



Male Female

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Corporate Summary

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Disclosure