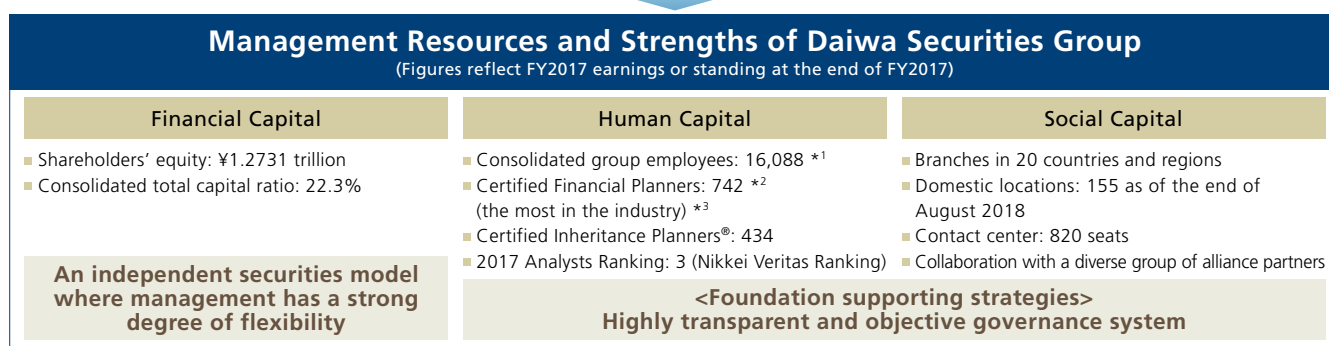
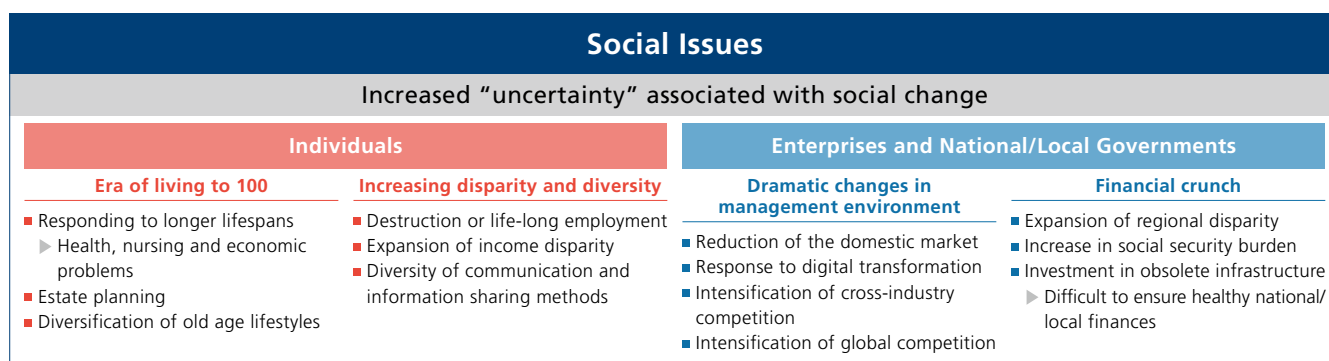


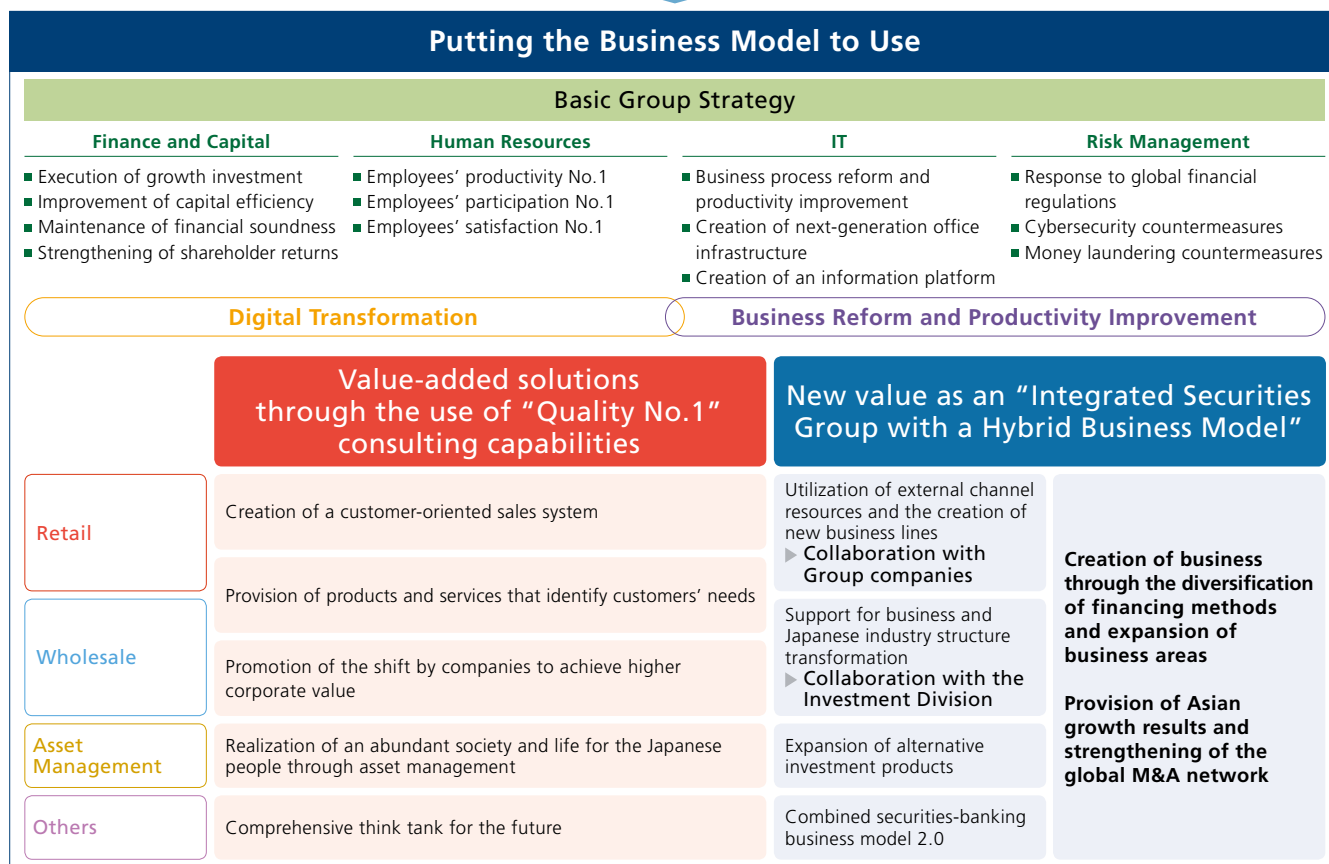
Daiwa Securities Group Value Creation Model



*1 The sum of consolidated group companies and Daiwa SB Investments

*2 Includes the number of employees who have passed all six subjects and are in the process of applying for certification.

*3 Based on Japan Association for Financial Planners data



Daiwa Securities Group Value Creation Story

1. By improving our human resources, our most important resource, and providing the highest quality in consulting, we are contributing to the realization of a wide variety of life plans in an era in which many will live to be 100 years old.
2. Amid an ongoing shift in the structure of industry as technology progresses, by supporting investment and financing that creates new value for society, we are contributing to enhanced corporate value and the fostering of next-generation industries.
3. By providing mutual Japanese and overseas investment opportunities, we are assisting Japan in fostering global economic development and growth.
4. We are contributing to trust in the financial markets by maintaining a stable financial base and our function as part of the social infrastructure.

Creating Shared Value (Figures reflect FY2017 earnings or standing at the end of FY2017)

Economic (Financial) Value

Retail Division

Net operating revenues
¥214.2 billion

Ordinary income
¥51.3 billion

Wholesale Division

Net operating revenues
¥171.1 billion

Ordinary income
¥45.3 billion

Asset Management Division

Net operating revenues
¥49.3 billion

Ordinary income
¥29.1 billion

- AUM of publicly offered stock investment trusts
Daiwa Asset Management ¥14.1 trillion
Daiwa SB Investments ¥2.2 trillion
- Assets under management of real estate AM business
¥883.2 billion

Investment Division

Net operating revenues
¥27.4 billion

Ordinary income
¥24.4 billion

Social Value

Supporting asset formation to meet the life plan needs of people

- Accounts with balances: 2,989,000
- Online trading accounts: 3,214,000
- NISA accounts (cumulative): 829,000
- Wrap account service customers: 134,000

Improve customer satisfaction

- Customer satisfaction: 4.86 (7-point scale, Daiwa Securities FY 2017 customer service survey: 121,000 responses)

Providing diversified international investment opportunities

- Balance of foreign currency-based assets (not disclosed)

Supporting corporate financing and restructuring

- League Table Primary and secondary equity offerings: 1st place
IPOs: 2nd place Straight bonds: 2nd place
M&A (number of deals): 9th place

Supporting fund raising that contributes to resolving social issues

- Impact Investment Bond sales: ¥685.8 billion (cumulative)*

*March 2008 to the end of March 2018

Development of ESG-focused ETFs and investment trusts

- Balance of SRI investment trust funds under management (total of Group companies): ¥146.5 billion

Expanding health care facilities in an aging society

- Rooms provided for nursing homes and elderly care facilities by Nippon Healthcare Investment: 1,598 (as of the end of April 2018)

Investment in new industries

- Total investment funds at Daiwa Corporate Investment (cumulative): ¥417.3 billion

Investment and development in renewable energy

- Solar power plants Output capacity: 50.3MW
- Biomass power plants Output capacity: 6.2MW

Improving trust and stability in the capital markets

- Consolidated Total Capital Ratio: 22.3%
- Credit Ratings
S&P: A- (Daiwa Securities Group Inc.), A (Daiwa Securities Co. Ltd.)
Moody's: Baa1 (Daiwa Securities Group Inc.), A3 (Daiwa Securities)
- Number of settlement processing transactions: about 2.8 million on an annual basis

Job satisfaction reforms

- Efforts aimed at improving productivity
- Introduction of a variety of new systems

Reinvestment

Daiwa Securities Group makes continuous efforts for sustainable growth on healthy profits built through the value creation cycle