January 29, 2019

Daiwa Securities Group Inc.

Report Regarding Consolidated Capital Adequacy Ratio
And Consolidated Leverage Ratio
Situation of Soundness in Management as of September 30, 2018

In accordance with the Financial Instruments and Exchange Act Article 57-17, “Notification, etc. of Documents Describing Status of Soundness in Management”, Daiwa Securities Group Inc. reports the situation of soundness in management as of September 30, 2018.

Note: As at December 26, 2019, figures disclosed are modified.

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Key Metrics (at consolidated group level)

(Millions of yen , %)

Basel III template number		September 2018	June 2018	March 2018	December 2017	September 2017
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1,105,298	1,123,271	1,133,926	1,131,024	1,140,647
2	Tier 1	1,105,298	1,123,271	1,133,926	1,131,024	1,140,647
3	Total capital	1,105,298	1,123,271	1,133,926	1,131,024	1,140,647
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	5,307,882	5,055,974	5,205,812	5,325,897	5,188,403
Capital ratio						
5	CET1 ratio (%)	20.82%	22.21%	21.78%	21.23%	21.98%
6	Tier 1 ratio (%)	20.82%	22.21%	21.78%	21.23%	21.98%
7	Total capital ratio (%)	20.82%	22.21%	21.78%	21.23%	21.98%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1.87%	1.87%	1.87%	1.25%	1.25%
9	Countercyclical buffer requirement (%)	0.01%	0.01%	0.00%	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.37%	0.37%	0.37%	0.25%	0.25%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.26%	2.26%	2.25%	1.50%	1.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	12.82%	14.21%	13.78%	13.23%	13.98%
Leverage ratio						
13	Total leverage ratio exposure measure	19,916,960	19,884,503	20,356,302	21,007,559	19,562,959
14	Leverage ratio (%) including the impact of any applicable temporary exemption of central bank reserves	5.54%	5.64%	5.57%	5.38%	5.83%

Composition of Capital Disclosure

(Millions of yen , %)

Basel III template number	Items		Group Consolidated Quarter-End
Common Equity Tier 1 capital: Instruments and reserves		(1)	
1a+2-1c-26	Shareholders' equity		1,194,962
1a	Common stock and capital surplus		478,030
2	Retained earnings		797,625
1c	Treasury stock (-)		61,397
26	Planned distributions (-)		19,295
	Others		-
1b	Stock subscription rights		8,445
3	Accumulated other comprehensive income (and other reserves)		75,097
5	Minority interest after adjustments		-
6	Common Equity Tier 1 capital before regulatory adjustments	(a)	1,278,505
Common Equity Tier 1 capital: regulatory adjustments		(2)	
8+9	Intangible assets other than mortgage-servicing rights (net of related tax liability)		115,905
8	Goodwill (net of related tax liability)		15,842
9	Other intangibles other than mortgage-servicing rights(net of related tax liability)		100,063
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		347
11	Cash-flow hedge reserve		(67)
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)		390
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)		24,281
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		32,348
28	Total regulatory adjustments to Common equity Tier 1	(b)	173,207
Common Equity Tier 1 capital			
29	Common Equity Tier 1 capital (CET1) ((a) - (b))	(c)	1,105,298

(Millions of yen , %)

Basel III template number		Items		Group Consolidated Quarter-End
Additional Tier 1 capital: instruments			(3)	
30	31a	Shareholders' equity		-
	31b	Stock subscription rights		-
	32	Liabilities		-
		Instruments issued by Special Purpose Companies		-
34-35		Minority interest after adjustments		-
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.)		-
36		Additional Tier 1 capital before regulatory adjustments	(d)	-
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)		8,284
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)		-
42		Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		24,064
43		Total regulatory adjustments to Additional Tier 1 capital	(e)	32,348
Additional Tier 1 capital				
44		Additional Tier 1 capital ((d) - (e))	(f)	-
Tier 1 capital				
45		Tier 1 capital ((c) + (f))	(g)	1,105,298
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		-
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		-
51		Tier 2 capital before regulatory adjustments	(h)	-

(Millions of yen , %)

Basel III template number	Items		Group Consolidated Quarter-End
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments		-
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)		24,064
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		-
57	Total regulatory adjustments to Tier 2 capital	(i)	24,064
Tier 2 capital			
58	Tier 2 capital ((h) - (i))	(j)	-
Total capital			
59	Total capital ((g) + (j))	(k)	1,105,298
Risk weighted assets		(5)	
60	Total risk weighted assets	(l)	5,307,882
Consolidated capital adequacy ratio			
61	Common Equity Tier 1 (as a percentage of risk weighted assets) ((c) / (l))		20.82%
62	Tier 1 (as a percentage of risk weighted assets) ((g) / (l))		20.82%
63	Total capital (as a percentage of risk weighted assets) ((k) / (l))		20.82%
Amounts below the thresholds for deduction (before risk weighting)		(6)	
72	Non-significant investments in the capital of other financials		116,192
73	Significant investments in the common stock of financials		57,388
74	Mortgage servicing rights (net of related tax liability)		-
75	Deferred tax assets arising from temporary differences (net of related tax liability)		5,868
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 Standardized approach (prior to application of cap)		-
77	Cap on inclusion of allowance in Tier 2 under Standardized 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 under the provision of Article 3 of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA(hereunder the Notification).

Not applicable.

B). Number of consolidated subsidiaries, and company names and businesses of major consolidated subsidiaries

Number of consolidated subsidiaries: 60 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 estate
Daiwa Next Bank, Ltd.	Banking businesses
Daiwa Institute of Research Ltd.	Information services
Daiwa Institute of Research Business Innovation Ltd.	Information services
Daiwa Capital Holdings	Integration and management of subsidiaries
Daiwa Corporate Investment Co., Ltd.	Investment businesses
Daiwa PI Partners Co. Ltd.	Investment businesses
Daiwa Real Estate Asset Management Co., Ltd.	Investment management businesses
	Investment advisory and agency businesses
Daiwa Capital Markets Europe Limited	Securities-related businesses
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 Notification .

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(hereunder the 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 the Group

Not applicable.

E). Overview of the restrictions on the transfer of funds and regulatory capital within the Group companies

There is no specific restriction set forth regarding the transfer of funds and regulatory capital within the Group companies.

2. The amount of each account in the balance sheets as in published statements and the reference number in composition of capital disclosure

(Millions of yen)

Reference number in composition of capital disclosure		Balance sheets as in published statements	Under regulatory scope of consolidation
	Assets		
	Current assets		
	Cash and deposits	3,580,301	3,580,301
	Cash segregated as deposits	341,878	341,878
	Notes and accounts receivable-trade	18,338	18,338
18, 39, 54, 72, 73	Short-term investment securities	1,040,638	1,040,638
16, 18, 39, 54, 72, 73	Trading products	6,558,521	6,558,521
	Trading date accrual	-	-
18, 39, 54, 72, 73	Operational investment securities	104,809	104,809
	Allowance for investment loss	(469)	(469)
	Operating loans	1,537,081	1,537,081
	Work in process	1,205	1,205
	Margin transaction assets	210,820	210,820
	Loans secured by securities	6,295,319	6,295,319
	Advances paid	28,572	28,572
	Short-term loans receivable	390	390
	Accrued income	39,867	39,867
10, 75	Deferred tax assets	-	-
	Other current assets	501,489	501,489
	Allowance for doubtful accounts	(246)	(246)
	Total current assets	20,258,518	20,258,518
	Noncurrent assets		
	Property, plant and equipment	147,656	147,656
	Intangible assets	110,803	110,803
8	Goodwill	10,740	10,740
9	Others	100,063	100,063
	Investments and other assets	446,540	446,540
8, 18, 39, 54, 72, 73	Investment securities	384,689	384,689
10, 75	Deferred tax assets	6,215	6,215
	Others	55,634	55,634
	Total noncurrent assets	705,000	705,000
	Total deferred charges	-	-
	Total assets	20,963,519	20,963,519

(Millions of yen)

Reference number in composition of capital disclosure		Balance sheets as in published statements	Under regulatory scope of consolidation
	Liabilities		
	Current liabilities		
	Notes and accounts payable-trade	6,913	6,913
	Trading products	4,714,524	4,714,524
	Trading date accrual	418,396	418,396
	Margin transaction liabilities	73,092	73,092
	Loans payable secured by securities	6,129,329	6,129,329
	Deposits from banking business	3,617,462	3,617,462
	Deposits received	326,613	326,613
	Guarantee deposits received	396,911	396,911
	Short-term loans payable	493,887	493,887
	Commercial paper	150,000	150,000
	Current portion of bonds	200,124	200,124
	Income taxes payable	7,510	7,510
	Deferred tax liabilities	-	-
	Provision for bonuses	21,401	21,401
	Other current liabilities	105,582	105,582
	Noncurrent liabilities		
	Bonds payable	1,358,839	1,358,839
	Long-term loans payable	1,550,609	1,550,609
	Deferred tax liabilities	11,571	11,571
	Net defined benefit liabilities	42,708	42,708
	Provision for loss on litigation	25,898	25,898
	Negative goodwill	-	-
	Other noncurrent liabilities	7,213	7,213
	Reserves under the special laws	3,945	3,945
	Total liabilities	19,662,535	19,662,535
	Net assets		
	Shareholders' equity		
1a	Common stock	247,397	247,397
1a	Capital surplus	230,633	230,633
2	Retained earnings	797,625	797,625
1c	Treasury stock	(61,413)	(61,413)
1c	Advances on subscription of treasury stock	16	16
	Total shareholders' equity	1,214,258	1,214,258
	Accumulated other comprehensive income		
	Valuation difference on available-for-sale securities	59,956	59,956
11	Deferred gains or losses on hedges	2,334	2,334
	Foreign currency translation adjustment	12,806	12,806
3	Total accumulated other comprehensive income	75,097	75,097
1b	Subscription rights to shares	8,445	8,445
34-35, 48-49	Minority interests	3,183	3,183
	Total net assets	1,300,984	1,300,984

Quantitative Disclosure (Consolidated)

1. List of the Group's subsidiaries applicable to "significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation", the capital of which is less than the capital requirement, as well as the total amount of deficit.

   Not applicable.

2. Amount of exposure of which the risk weight cannot be directly determined due to multiple assets and transactions backed

(Millions of yen)

	Exposures
Total	746,603

3. Other quantitative disclosures

OV1 : Overview of RWA

(Millions of yen)

Basel III template number		RWA		Minimum capital requirements	
		September 2018	September 2017	September 2018	September 2017
1	Credit risk (excluding counterparty credit risk) (CCR)	813,622		65,089	
2	Of which standardized approach (SA)	632,744		50,619	
3	Of which internal rating-based (IRB) approach	-		-	
	Of which significant investments	-		-	
	Of which exposures for estimated residual value of lease	-		-	
	Others	180,877		14,470	
4	Counterparty credit risk	1,244,837		99,587	
5	Of which standardized approach for counterparty credit risk (SA-CCR)	-		-	
	Of which current exposure method (CEM)	316,493		25,319	
6	Of which internal model method (IMM)	-		-	
	Of which credit valuation adjustment (CVA) risk	537,603		43,008	
	Of which exposures to central counterparties (CCPs)	32,038		2,563	
	Others	358,702		28,696	
7	Equity positions under market-based approach	-		-	
	Exposures backed by multiple assets and transactions	394,470		31,557	
	Exposures under Article 144 of the Notification	-		-	
11	Settlement risk	165		13	
12	Securitization exposures in banking book	148,437		11,875	
13	Of which IRB ratings-based approach (RBA)	-		-	
14	Of which IRB Supervisory Formula Approach (SFA)	-		-	
15	Of which SA/simplified supervisory formula approach (SSFA)	148,437		11,875	
	Of which 1250% risk weight applied	-		-	
16	Market risk	1,556,021		124,481	
17	Of which standardized approach (SA)	940,387		75,230	
18	Of which internal model approaches (IMM)	615,634		49,250	
19	Operational risk	992,187		79,375	
20	Of which Basic Indicator Approach	992,187		79,375	
21	Of which Standardized Approach	-		-	
22	Of which Advanced Measurement Approach	-		-	
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	158,140		12,651	
	Amounts included in risk weighted asset due to transitional arrangements	-		-	
24	Floor adjustment	-		-	
25	Total	5,307,882		424,630	

(Millions of yen)

Basel III template number		RWA		Minimum capital requirements	
		September 2018	June 2018	September 2018	June 2018
1	Credit risk (excluding counterparty credit risk) (CCR)	813,622	850,303	65,089	68,024
2	Of which standardized approach (SA)	632,744	668,950	50,619	53,516
3	Of which internal rating-based (IRB) approach	-	-	-	-
	Of which significant investments	-	-	-	-
	Of which exposures for estimated residual value of lease	-	-	-	-
	Others	180,877	181,353	14,470	14,508
4	Counterparty credit risk	1,244,837	1,186,894	99,587	94,951
5	Of which standardized approach for counterparty credit risk (SA-CCR)	-	-	-	-
	Of which current exposure method(CEM)	316,493	320,406	25,319	25,632
6	Of which internal model method (IMM)	-	-	-	-
	Of which credit valuation adjustment (CVA) risk	537,603	547,697	43,008	43,815
	Of which exposures to central counterparties(CCPs)	32,038	27,670	2,563	2,213
	Others	358,702	291,119	28,696	23,289
7	Equity positions under market-based approach	-	-	-	-
	Exposures backed by multiple assets and transactions	394,470	316,514	31,557	25,321
	Exposures under Article 145 of the Notification	-	-	-	-
11	Settlement risk	165	490	13	39
12	Securitization exposures in banking book	148,437	149,212	11,875	11,936
13	Of which IRB ratings-based approach (RBA)	-	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	148,437	149,212	11,875	11,936
	Of which 1250% risk weight applied	-	-	-	-
16	Market risk	1,556,021	1,412,401	124,481	112,992
17	Of which standardized approach (SA)	940,387	897,386	75,230	71,790
18	Of which internal model approaches (IMM)	615,634	515,015	49,250	41,201
19	Operational risk	992,187	1,002,132	79,375	80,170
20	Of which Basic Indicator Approach	992,187	1,002,132	79,375	80,170
21	Of which Standardized Approach	-	-	-	-
22	Of which Advanced Measurement Approach	-	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	158,140	138,025	12,651	11,042
	Amounts included in RWA due to transitional arrangements	-	-	-	-
24	Floor adjustment	-	-	-	-
25	Total	5,307,882	5,055,974	424,630	404,477

CR1: Credit quality of assets

(Millions of yen)

		Gross carrying values of		Allowances/ impairments	Net values[1]
		Defaulted exposures	Non-defaulted exposures		
	On-balance sheet assets				
1	Loans	-	831,173	49	831,123
2	Debt Securities	-	772,405	-	772,405
3	Other on-balance sheet assets (debt products)	559	3,690,490	1,748	3,689,301
4	Sub-total on-balance sheet assets (1+2+3)	559	5,294,069	1,798	5,292,830
	Off-balance sheet assets				
5	Acceptances and guarantees	-	1,858	-	1,858
6	Commitments	-	19,010	-	19,010
7	Sub-total off-balance sheet assets (5+6)	-	20,868	-	20,868
	Total				
8	Total (4+7)	559	5,314,937	1,807	5,313,690

[1] "Net values" = "Gross carrying values of defaulted exposures" + "Non-defaulted exposures" - "Allowances/impairments"

CR2: Changes in stock of defaulted loans and debt securities

(Millions of yen)

			Amounts
1	Defaulted loans and debt securities at end of previous reporting period		475
2	Changes in loans and debt securities during the reporting period	Loans and debt securities that have defaulted since the last reporting period	61
3		Returned to non-defaulted status	6
4		Amounts written off	-
5		Other changes [1]	29
6	Defaulted loans and debt securities at end of reporting period (1+2-3-4+5)		559

1 Other changes include changes in foreign currency rates.

CR3: Credit risk mitigation techniques – overview

(Millions of yen)

		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by credit derivatives, of which: secured amount
1	Loans	773,005	58,118	58,118	-	-
2	Debt securities	772,405	-	-	-	-
3	Other on-balance sheet assets (debt products)	3,689,301	-	-	-	-
4	Total (1+2+3)	5,234,712	58,118	58,118	-	-
5	Of which defaulted	559	-	-	-	-

CR4: Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

(Millions of yen , %)

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA	RWA density
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	-	-	-	-	-	-
2	Japanese government and central bank	3,873,651	-	3,873,651	-	-	-
3	Non-Japanese sovereign and central bank	385,294	-	385,294	-	7,894	2.04%
4	Bank for International Settlements (BIS)	-	-	-	-	-	-
5	Japanese local public authorities	3,952	-	3,952	-	-	-
6	Non-Japanese public sector entities (excluding sovereign)	2,480	-	2,480	-	557	22.48%
7	Multilateral Development Banks (MDBs)	10,815	-	10,815	-	-	-
8	Japan Finance Organization for Municipalities (JFM)	5,911	-	5,911	-	1,181	19.98%
9	Japanese government-sponsored entities	274,770	-	274,770	-	34,627	12.60%
10	Three major local public corporations of Japan	0	-	0	-	0	20.00%
11	Financial institutions and securities firms	545,428	19,010	545,428	3,802	120,716	21.97%
12	Corporates	268,236	1,861	210,118	1,861	187,083	88.25%
13	SMEs and individuals (risk weight 75% applied)	-	-	-	-	-	-
14	Residential mortgage loans	-	-	-	-	-	-
15	Projects including acquisition of real estate properties	11,732	-	11,732	-	11,732	100.00%
16	Past due exposures for three months or more(excluding residential mortgage loans)	559	-	559	-	838	150.00%
17	Past due exposures for three months or more(residential mortgage loans related)	-	-	-	-	-	-
18	Cash items in process of collection	-	-	-	-	-	-
19	Exposures secured by Credit Guarantee Association in Japan	-	-	-	-	-	-
20	Exposures secured by Enterprise Turnaround Initiative Corporation of Japan	-	-	-	-	-	-
21	Equities (excluding significant investments)	268,111	-	268,111	-	268,111	100.00%
22	Total	5,650,943	20,871	5,592,825	5,663	632,744	11.30%

CR5: Standardized approach – exposures by asset classes and risk weights

(Millions of yen)

	Asset classes \ Risk weight	Credit risk exposures (post-CCF and post-CRM) 0%	10%	20%	35%	50%	75%
1	Cash	-	-	-	-	-	-
2	Japanese government and central bank	3,873,651	-	-	-	-	-
3	Non-Japanese sovereign and central bank	374,570	-	20	-	5,625	-
4	Bank for International Settlements (BIS)	-	-	-	-	-	-
5	Japanese local public authorities	3,952	-	-	-	-	-
6	Non-Japanese public sector entities (excluding sovereign)	-	-	2,403	-	-	-
7	Multilateral Development Banks (MDBs)	10,815	-	-	-	-	-
8	Japan Finance Organization for Municipalities (JFM)	-	8	5,902	-	-	-
9	Japanese government-sponsored entities	-	203,267	71,502	-	-	-
10	Three major local public corporations of Japan	-	-	0	-	-	-
11	Financial institutions and securities firms	-	-	519,291	-	26,162	-
12	Corporates	-	-	24,081	-	11,261	-
13	SMEs and individuals (risk weight 75% applied)	-	-	-	-	-	-
14	Residential mortgage loans	-	-	-	-	-	-
15	Projects including acquisition of real estate properties	-	-	-	-	-	-
16	Past due exposures for three months or more(excluding residential mortgage loans)	-	-	-	-	-	-
17	Past due exposures for three months or more(residential mortgage loans related)	-	-	-	-	-	-
18	Cash items in process of collection	-	-	-	-	-	-
19	Exposures secured by Credit Guarantee Association in Japan	-	-	-	-	-	-
20	Exposures secured by Enterprise Turnaround Initiative Corporation of Japan	-	-	-	-	-	-
21	Equities (excluding significant investments)	-	-	-	-	-	-
22	Total	4,262,990	203,275	623,201	-	43,050	-

(Millions of yen)

	Asset classes \ Risk weight	Credit risk exposures (post-CCF and post-CRM)				
		100%	150%	250%	1250%	Total
1	Cash	-	-	-	-	-
2	Japanese government and central bank	-	-	-	-	3,873,651
3	Non-Japanese sovereign and central bank	5,078	-	-	-	385,294
4	Bank for International Settlements (BIS)	-	-	-	-	-
5	Japanese local public authorities	-	-	-	-	3,952
6	Non-Japanese public sector entities (excluding sovereign)	76	-	-	-	2,480
7	Multilateral Development Banks (MDBs)	-	-	-	-	10,815
8	Japan Finance Organization for Municipalities (JFM)	-	-	-	-	5,911
9	Japanese government-sponsored entities	-	-	-	-	274,770
10	Three major local public corporations of Japan	-	-	-	-	0
11	Financial institutions and securities firms	3,776	-	-	-	549,230
12	Corporates	176,636	-	-	-	211,980
13	SMEs and individuals (risk weight 75% applied)	-	-	-	-	-
14	Residential mortgage loans	-	-	-	-	-
15	Projects including acquisition of real estate properties	11,732	-	-	-	11,732
16	Past due exposures for three months or more(excluding residential mortgage loans)	-	559	-	-	559
17	Past due exposures for three months or more(residential mortgage loans related)	-	-	-	-	-
18	Cash items in process of collection	-	-	-	-	-
19	Exposures secured by Credit Guarantee Association in Japan	-	-	-	-	-
20	Exposures secured by Enterprise Turnaround Initiative Corporation of Japan	-	-	-	-	-
21	Equities (excluding significant investments)	268,111	-	-	-	268,111
22	Total	465,411	559	-	-	5,598,489

CCR1 : Analysis of counterparty credit risk (CCR) exposure by approach

(Millions of yen)

		Replacement cost	Add-on	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	-	-		1.4	-	-
	CEM (for derivatives)	464,731	643,560			839,577	316,493
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					565,804	358,702
5	VaR for SFTs					-	-
6	Total						675,195

CCR2 : Credit valuation adjustment (CVA) capital charge

(Millions of yen)

		EAD post-CRM	RWA
1	Total portfolios subject to the Advanced CVA capital charge	-	-
2	(i) VaR component (including the 3×multiplier)	-	-
3	(ii) Stressed VaR component (including the 3×multiplier)	-	-
4	All portfolios subject to the Standardized CVA capital charge	731,999	537,603
5	Total subject to the CVA capital charge	731,999	537,603

CCR3 : Standardized approach － CCR exposures by regulatory portfolio and risk

(Millions of yen)

	Regulatory portfolio \ Risk weight	EAD (post-CRM) 0%	10%	20%
1	Japanese government and central bank	2,804	-	-
2	Non-Japanese sovereign and central bank	2,009	-	6
3	Bank for International Settlements (BIS)	5,468	-	-
4	Japanese local public authorities	-	-	-
5	Non-Japanese public sector entities (excluding sovereign)	-	-	55,113
6	Multilateral Development Banks (MDBs)	17,287	-	-
7	Japan Finance Organization for Municipalities (JFM)	-	8,051	-
8	Japanese government-sponsored entities	-	17,583	-
9	Three major local public corporations of Japan	-	-	-
10	Financial institutions and securities firms	-	-	781,219
11	Corporates	-	-	7,595
12	SMEs and individuals (risk weight 75% applied)	-	-	-
13	Other assets	-	-	-
14	Total	27,570	25,634	843,934

(Millions of yen)

	Regulatory portfolio \ Risk weight	EAD (post-CRM) 50%	75%	100%
1	Japanese government and central bank	-	-	-
2	Non-Japanese sovereign and central bank	4	-	-
3	Bank for International Settlements (BIS)	-	-	-
4	Japanese local public authorities	-	-	-
5	Non-Japanese public sector entities (excluding sovereign)	623	-	-
6	Multilateral Development Banks (MDBs)	-	-	-
7	Japan Finance Organization for Municipalities (JFM)	-	-	-
8	Japanese government-sponsored entities	-	-	-
9	Three major local public corporations of Japan	-	-	-
10	Financial institutions and securities firms	508	-	268
11	Corporates	7,658	-	499,179
12	SMEs and individuals (risk weight 75% applied)	-	-	-
13	Other assets	-	-	-
14	Total	8,794	-	499,448

(Millions of yen)

	Regulatory portfolio \ Risk weight	EAD (post-CRM) 150%	Others	Total credit exposure
1	Japanese government and central bank	-	-	2,804
2	Non-Japanese sovereign and central bank	-	-	2,020
3	Bank for International Settlements (BIS)	-	-	5,468
4	Japanese local public authorities	-	-	-
5	Non-Japanese public sector entities (excluding sovereign)	-	-	55,736
6	Multilateral Development Banks (MDBs)	-	-	17,287
7	Japan Finance Organization for Municipalities (JFM)	-	-	8,051
8	Japanese government-sponsored entities	-	-	17,583
9	Three major local public corporations of Japan	-	-	-
10	Financial institutions and securities firms	-	-	781,995
11	Corporates	-	-	514,433
12	SMEs and individuals (risk weight 75% applied)	-	-	-
13	Other assets	-	-	-
14	Total	-	-	1,405,382

CCR5 : Composition of collateral for CCR exposure

(Millions of yen)

		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash - domestic currency	11,082	136,995	16,401	267,418	1,424,841	2,881,869
2	Cash - other currencies	70,378	45,473	-	16,978	5,796,562	4,592,373
3	Domestic sovereign debt	10	33,252	-	6,799	1,607,512	1,326,021
4	Other sovereign debt	676	-	-	-	4,301,914	4,700,514
5	Government agency debt	3,788	-	-	-	752,142	1,101,227
6	Corporate bonds	30,448	-	-	-	45,771	194,634
7	Equity securities	18,944	-	55,787	-	714,496	318,902
8	Other collateral	4,020	-	-	-	15,908	47,264
9	Total	139,347	215,719	72,188	291,195	14,659,147	15,162,803

CCR6 : Credit derivatives exposures

(Millions of yen)

		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	698,974	850,940
2	Index credit default swaps	524,699	410,154
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	Total notionals	1,223,675	1,261,095
	Fair values		
7	Positive fair value (asset)	1,723	17,793
8	Negative fair value (liability)	(18,305)	(5,162)

CCR8 : Exposures to central counterparties

(Millions of yen)

		EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)		32,038
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	829,036	16,580
3	(i) OTC derivatives	579,082	11,581
4	(ii) Exchange-traded derivatives	126,523	2,530
5	(iii) Securities financing transactions	123,430	2,468
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	80,487	
8	Non-segregated initial margin	94,984	1,720
9	Pre-funded default fund contributions	53,108	13,737
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

SEC1 : Securitization exposures in the banking book

(Millions of yen)

	Type of underlying assets		Group acts as originator		
			Traditional	Synthetic	Sub-total
1	Retail (total) - of which		-	-	-
2		residential mortgage	-	-	-
3		credit card	-	-	-
4		other retail exposures	-	-	-
5		re-securitization	-	-	-
6	Wholesale (total) - of which		-	-	-
7		loans to corporates	-	-	-
8		commercial mortgage	-	-	-
9		lease and receivables	-	-	-
10		other wholesale	-	-	-
11		re-securitization	-	-	-

	Type of underlying assets		Group acts as sponsor		
			Traditional	Synthetic	Sub-total
1	Retail (total) - of which		-	-	-
2		residential mortgage	-	-	-
3		credit card	-	-	-
4		other retail exposures	-	-	-
5		re-securitization	-	-	-
6	Wholesale (total) - of which		-	-	-
7		loans to corporates	-	-	-
8		commercial mortgage	-	-	-
9		lease and receivables	-	-	-
10		other wholesale	-	-	-
11		re-securitization	-	-	-

	Type of underlying assets		Group acts as investor		
			Traditional	Synthetic	Sub-total
1	Retail (total) - of which		118,683	-	118,683
2		residential mortgage	65,466	-	65,466
3		credit card	111	-	111
4		other retail exposures	53,105	-	53,105
5		re-securitization	-	-	-
6	Wholesale (total) - of which		623,504	-	623,504
7		loans to corporates	-	-	-
8		commercial mortgage	-	-	-
9		lease and receivables	920	-	920
10		other wholesale	622,584	-	622,584
11		re-securitization	-	-	-

SEC2 : Securitization exposures in the trading book

(Millions of yen)

	Type of underlying assets		Group acts as originator		
			Traditional	Synthetic	Sub-total
1	Retail (total) - of which		-	-	-
2		residential mortgage	-	-	-
3		credit card	-	-	-
4		other retail exposures	-	-	-
5		re-securitization	-	-	-
6	Wholesale (total) - of which		2,054	-	2,054
7		loans to corporates	2,054	-	2,054
8		commercial mortgage	-	-	-
9		lease and receivables	-	-	-
10		other wholesale	-	-	-
11		re-securitization	-	-	-

	Type of underlying assets		Group acts as sponsor		
			Traditional	Synthetic	Sub-total
1	Retail (total) - of which		-	-	-
2		residential mortgage	-	-	-
3		credit card	-	-	-
4		other retail exposures	-	-	-
5		re-securitization	-	-	-
6	Wholesale (total) - of which		-	-	-
7		loans to corporates	-	-	-
8		commercial mortgage	-	-	-
9		lease and receivables	-	-	-
10		other wholesale	-	-	-
11		re-securitization	-	-	-

	Type of underlying assets		Group acts as investor		
			Traditional	Synthetic	Sub-total
1	Retail (total) - of which		164	-	164
2		residential mortgage	164	-	164
3		credit card	-	-	-
4		other retail exposures	-	-	-
5		re-securitization	-	-	-
6	Wholesale (total) - of which		-	-	-
7		loans to corporates	-	-	-
8		commercial mortgage	-	-	-
9		lease and receivables	-	-	-
10		other wholesale	-	-	-
11		re-securitization	-	-	-

SEC3：Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

Not applicable.

SEC4：Securitization exposures in the banking book and associated capital requirements － bank acting as investor

(Millions of yen)

		Total exposures	Traditional securitization	Of which securitization	Of which retail underlying	Of which wholesale
	Exposure values (by RW bands)					
1	≤20% RW	742,187	742,187	742,187	118,683	623,504
2	>20% to 50% RW	-	-	-	-	-
3	>50% to 100% RW	-	-	-	-	-
4	>100% to <1250% RW	-	-	-	-	-
5	1250% RW	-	-	-	-	-
	Exposure values(by regulatory approach)					
6	IRB RBA (including IAA)	-	-	-	-	-
7	IRB SFA	-	-	-	-	-
8	SA/SSFA	742,187	742,187	742,187	118,683	623,504
9	1250%	-	-	-	-	-
	RWA(by regulatory approach)					
10	IRB RBA (including IAA)	-	-	-	-	-
11	IRB SFA	-	-	-	-	-
12	SA/SSFA	148,437	148,437	148,437	23,736	124,700
13	1250%	-	-	-	-	-
	Capital charge after cap					
14	IRB RBA (including IAA)	-	-	-	-	-
15	IRB SFA	-	-	-	-	-
16	SA/SSFA	11,875	11,875	11,875	1,898	9,976
17	1250%	-	-	-	-	-

(Millions of yen)

		Total exposures				
		Traditional securitization			Synthetic securitization	
		Of which re-securitization				Of which securitization
			Of which senior	Of which non-senior		
	Exposure values (by RW bands)					
1	≤20% RW	-	-	-	-	-
2	>20% to 50% RW	-	-	-	-	-
3	>50% to 100% RW	-	-	-	-	-
4	>100% to <1250% RW	-	-	-	-	-
5	1250% RW	-	-	-	-	-
	Exposure values(by regulatory approach)					
6	IRB RBA (including IAA)	-	-	-	-	-
7	IRB SFA	-	-	-	-	-
8	SA/SSFA	-	-	-	-	-
9	1250%	-	-	-	-	-
	RWA(by regulatory approach)					
10	IRB RBA (including IAA)	-	-	-	-	-
11	IRB SFA	-	-	-	-	-
12	SA/SSFA	-	-	-	-	-
13	1250%	-	-	-	-	-
	Capital charge after cap					
14	IRB RBA (including IAA)	-	-	-	-	-
15	IRB SFA	-	-	-	-	-
16	SA/SSFA	-	-	-	-	-
17	1250%	-	-	-	-	-

(Millions of yen)

		Total exposures				
		Synthetic securitization				
		Of which securitization		Of which re-securitization		
		Of which retail	Of which wholesale		Of which senior	Of which non-senior
	Exposure values (by RW bands)					
1	≤20% RW	-	-	-	-	-
2	>20% to 50% RW	-	-	-	-	-
3	>50% to 100% RW	-	-	-	-	-
4	>100% to <1250% RW	-	-	-	-	-
5	1250% RW	-	-	-	-	-
	Exposure values(by regulatory approach)					
6	IRB RBA (including IAA)	-	-	-	-	-
7	IRB SFA	-	-	-	-	-
8	SA/SSFA	-	-	-	-	-
9	1250%	-	-	-	-	-
	RWA(by regulatory approach)					
10	IRB RBA (including IAA)	-	-	-	-	-
11	IRB SFA	-	-	-	-	-
12	SA/SSFA	-	-	-	-	-
13	1250%	-	-	-	-	-
	Capital charge after cap					
14	IRB RBA (including IAA)	-	-	-	-	-
15	IRB SFA	-	-	-	-	-
16	SA/SSFA	-	-	-	-	-
17	1250%	-	-	-	-	-

MR1 : Market risk under standardized approach

(Millions of yen)

			RWA
1	Interest rate risk (general and specific)		636,913
2	Equity risk (general and specific)		202,212
3	Foreign exchange risk		79,142
4	Commodity risk		-
	Options		
5		Simplified approach	-
6		Delta-plus method	-
7		Scenario approach	-
8	Securitization		22,118
9	Total		940,387

MR2 : RWA flow statements of market risk exposures under an IMA

(Millions of yen)

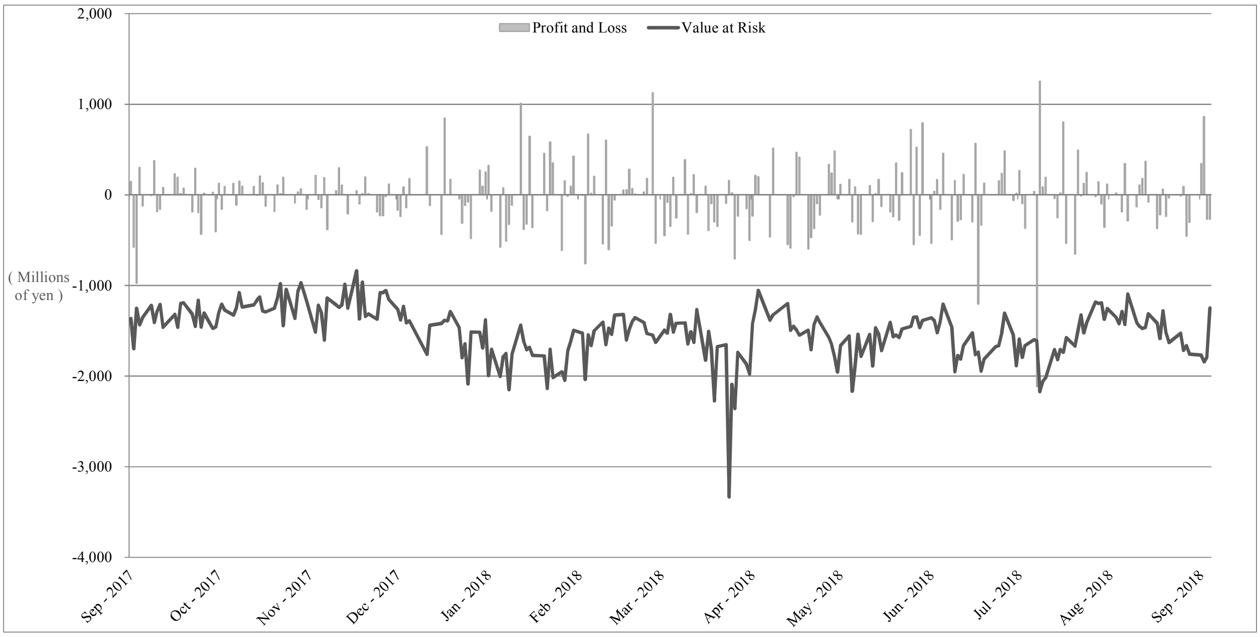
			VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA at previous quarter end		176,552	338,463	-	-		515,015
1b	Adjustments to RWA based on the regulatory consolidated capital at previous quarter end		6	5	-	-		5
1c	Amounts of IMA at previous quarter end		27,206	67,506	-	-		94,712
2	Change in reporting period	Movement in risk levels	20,841	97,188	-	-		118,030
3		Model updates/changes	-	-	-	-		-
4		Methodology and policy	-	-	-	-		-
5		Acquisitions and disposals	-	-	-	-		-
6		Foreign exchange movements	-	-	-	-		-
7		Other	-	-	-	-		-
8a	Amounts of IMA at end of reporting period		48,048	164,694	-	-		212,742
8b	Adjustments to RWA based on the regulatory consolidated capital at end of reporting period		4	2	-	-		3
8c	RWA at end of reporting period		213,852	401,781	-	-		615,634

MR3 : IMA values for trading portfolios

(Millions of yen)

	VaR (10 day 99%) –	
1	Maximum value	8,668
2	Average value	4,845
3	Minimum value	1,834
4	Period end	3,843
	Stressed VaR (10 day 99%)	
5	Maximum value	18,296
6	Average value	9,953
7	Minimum value	4,653
8	Period end	13,175
	Incremental Risk Charge (99.9%)	
9	Maximum value	-
10	Average value	-
11	Minimum value	-
12	Period end	-
	Comprehensive Risk capital charge (99.9%)	
13	Maximum value	-
14	Average value	-
15	Minimum value	-
16	Period end	-
17	Floor (standardized measurement method)	-

MR4: Comparison of VaR estimates with gains/losses



IRRBB1 : Quantitative information on IRRBB

(Millions of yen)

		ΔEVE	
		September 2018	September 2017
1	Parallel up	4,555	
2	Parallel down	27,769	
3	Steepener	2,037	
4	Flattener	587	
5	Short rate up	1,755	
6	Short rate down	15,753	
7	Maximum	27,769	
		September 2018	September 2017
8	Tier 1 capital	1,105,298	1,140,647

ΔNII is not disclosed because there is only minimal impact from the changes in net income subject to the interest rate risk which occurs from the non-trading business.

Consolidated Leverage Ratio

1. Composition of consolidated leverage ratio

(Millions of yen , %)

Basel III template number (2)	Basel III template number (1)	Items		September 2018	September 2017
On-balance sheet exposures			(1)		
1		On-balance sheet items before adjustments		11,558,980	11,866,214
1a	1	Total assets in the consolidated balance sheet		20,963,519	20,381,308
1b	2	Total assets held by group companies which are not included in the scope of the consolidated leverage ratio		-	-
1c	7	Total assets held by group companies which are included in the scope of the consolidated leverage ratio (except for the assets included in the total assets in the consolidated balance sheet)		-	-
1d	3	Assets other than the adjustments that are excluded from the total assets in the consolidated balance sheet		9,404,539	8,515,094
2	7	Common Equity Tier 1 capital: regulatory adjustments		149,142	109,399
3		Total on-balance sheet exposures (excluding derivatives and SFTs)	(A)	11,409,838	11,756,815
Derivative exposures			(2)		
4		Replacement cost associated with all derivatives transactions		421,102	475,702
5		Add-on amounts for PFE associated with all derivatives transactions		1,331,249	1,319,365
		Gross-up for collateral posted in derivative transactions		309,389	276,284
6		Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework		-	-
7		Deductions of receivables assets for cash variation margin provided in derivatives transactions		92,504	107,336
8		Exempted CCP leg of client-cleared trade exposures			
9		Adjusted effective notional amount of written credit derivatives		1,261,095	1,711,513
10		Adjusted effective notional offsets and add-on deductions for written credit derivatives		996,293	1,408,060
11	4	Total derivative exposures (sum of lines 4 to 10)	(B)	2,234,038	2,267,468
Securities financing transaction exposures			(3)		
12		Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions		7,635,941	6,753,882
13		Netted amounts of cash payables and cash receivables of gross SFT assets		1,617,685	1,423,824
14		CCR exposure for SFT assets		183,463	159,855
15		Agent transaction exposures			
16	5	Total securities financing transaction exposures (sum of lines 12 to 15)	(C)	6,201,719	5,489,913
Other off-balance sheet exposures			(4)		
17		Off-balance sheet exposure at gross notional amount		124,169	62,526
18		Adjustments for conversion to credit equivalent amounts		52,804	13,763
19	6	Off-balance sheet items	(D)	71,365	48,763
Capital and total exposures			(5)		
20		Tier 1 capital	(E)	1,105,298	1,140,647
21	8	Total exposures (A)+(B)+(C)+(D)	(F)	19,916,960	19,562,959
22		Basel III consolidated leverage ratio(E)/ (F)		5.54%	5.83%

2. Reasons for significant differences in the consolidated leverage ratio over previous year

There is no significant difference in the consolidated leverage ratio over the previous year.

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 recognized in regulatory capital (Currency in millions, as of the most recent reporting date)	
	Consolidated Capital Adequacy Ratio	1,194,962 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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2006	Stock subscription right issued in July 2007
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	167 million Yen	217 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	July 1, 2007
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2026	June 30, 2027
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2008	Stock subscription right issued in July 2009
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	202 million Yen	270 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	July 1, 2009
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2028	June 30, 2029
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 6	Stock subscription right issued in July 2010
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	236 million Yen	321 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	November 9, 2009	July 1, 2010
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 19, 2019	June 30, 2030
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 7	Stock subscription right issued in July 2011
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	229 million Yen	385 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	September 1, 2010	July 1, 2011
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 25, 2020	June 30, 2031
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 8	Stock subscription right issued in February 2013
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	230 million Yen	442 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	September 5, 2011	February 12, 2013
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 24, 2021	June 30, 2032
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 9	Stock subscription right issued in February 2014
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	978 million Yen	368 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 10, 2014
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 26, 2022	June 30, 2033
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 10	Stock subscription right issued in February 2015
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	1,157 million Yen	384 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 9, 2015
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 25, 2023	June 30, 2034
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 11	Stock subscription right issued in February 2016
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	838 million Yen	383 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 16, 2016
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 25, 2024	June 30, 2035
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 12	Stock subscription right issued in February 2017
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	299 million Yen	404 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 16, 2016	February 8, 2017
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 24, 2025	June 30, 2036
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 13	Stock subscription right issued in February 2018
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	329 million Yen	435 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 8, 2017	February 8, 2018
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 27, 2026	June 30, 2037
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	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right series 14	Stock subscription right series 15
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	134 million Yen	26 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 8, 2018	August 10, 2018
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 27, 2027	June 26, 2028
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	—	—

End