

January 31, 2020

Daiwa Securities Group Inc.

Report Regarding Consolidated Capital Adequacy Ratio
and Consolidated Leverage Ratio
Situation of Soundness in Management as of September 30, 2019

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, 2019.

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Key Metrics (at consolidated group level)

(Millions of yen , %)

Basel III template number		September 2019	June 2019	March 2019	December 2018	September 2018
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1,061,011	1,074,541	1,086,889	1,081,295	1,105,298
2	Tier 1	1,061,011	1,074,541	1,086,889	1,081,295	1,105,298
3	Total capital	1,061,011	1,074,541	1,086,889	1,081,295	1,105,298
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	5,572,157	5,089,921	5,020,849	4,988,639	5,307,882
Capital ratio						
5	CET1 ratio (%)	19.04%	21.11%	21.64%	21.67%	20.82%
6	Tier 1 ratio (%)	19.04%	21.11%	21.64%	21.67%	20.82%
7	Total capital ratio (%)	19.04%	21.11%	21.64%	21.67%	20.82%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	1.87%	1.87%
9	Countercyclical buffer requirement (%)	0.03%	0.02%	0.02%	0.02%	0.01%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.50%	0.50%	0.50%	0.37%	0.37%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.03%	3.02%	3.02%	2.27%	2.26%
12	CET1 available after meeting the bank's minimum capital requirements (%)	11.04%	13.11%	13.64%	13.67%	12.82%
Leverage ratio						
13	Total leverage ratio exposure measure	19,417,404	19,816,310	18,674,804	20,092,466	19,916,960
14	Leverage ratio (%) including the impact of any applicable temporary exemption of central bank reserves	5.46%	5.42%	5.82%	5.38%	5.54%

Composition of Capital Disclosure

CC1: Composition of Capital Disclosure

(Millions of yen , %)

Basel III template number	Items	Group Consolidated Quarter-End	Cross-referenced to CC2
Common Equity Tier 1 capital: Instruments and reserves (1)			
1a+2-1c-26	Shareholders' equity	1,191,615	
1a	Common stock and capital surplus	478,030	(i),(j)
2	Retained earnings	824,657	(k)
1c	Treasury stock (Δ)	94,004	(l),(m)
26	Planned distributions (Δ)	17,067	
	Others	-	
1b	Stock subscription rights	8,721	(p)
3	Accumulated other comprehensive income (and other reserves)	30,504	(o)
5	Minority interest after adjustments	-	
6	Common Equity Tier 1 capital before regulatory adjustments (a)	1,230,840	
Common Equity Tier 1 capital: regulatory adjustments (2)			
8+9	Intangible assets other than mortgage-servicing rights (net of related tax liability)	136,460	
8	Goodwill (net of related tax liability)	31,021	(e),(g)
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	105,439	(f)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	390	(d),(h)
11	Cash-flow hedge reserve	(171)	(n)
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)	177	(b)
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)	15,924	(a),(b),(c),(g)
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	17,047	
28	Total regulatory adjustments to Common equity Tier 1 (b)	169,829	
Common Equity Tier 1 capital			
29	Common Equity Tier 1 capital (CET1) ((a) - (b)) (c)	1,061,011	

(Millions of yen , %)

Basel III template number	Items	Group Consolidated Quarter-End	Cross-referenced to CC2
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	6,512	(q)
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)	6,512	
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)	5,490	(a),(b),(c),(g)
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	18,070	
43	Total regulatory adjustments to Additional Tier 1 capital (e)	23,560	
Additional Tier 1 capital			
44	Additional Tier 1 capital ((d) - (e)) (f)	-	
Tier 1 capital			
45	Tier 1 capital ((c) + (f)) (g)	1,061,011	
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	1,532	(q)
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)	1,532	

(Millions of yen, %)

Basel III template number	Items	Group Consolidated Quarter-End	Cross-referenced to CC2
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	19,281	(a),(b),(c),(g)
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions	-	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	321	
57	Total regulatory adjustments to Tier 2 capital (i)	19,602	
Tier 2 capital			
58	Tier 2 capital ((h) - (i)) (j)	-	
Total capital			
59	Total capital ((g) + (j)) (k)	1,061,011	
Risk weighted assets (5)			
60	Total risk weighted assets (l)	5,572,157	
Consolidated capital adequacy ratio			
61	Common Equity Tier 1 (as a percentage of risk weighted assets) ((c) / (l))	19.04%	
62	Tier 1 (as a percentage of risk weighted assets) ((g) / (l))	19.04%	
63	Total capital (as a percentage of risk weighted assets) ((k) / (l))	19.04%	
64	CET1 specific buffer requirement	3.03%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.03%	
67	of which: G-SIB/D-SIB additional requirement	0.50%	
68	CET1 available after meeting the minimum capital requirements	11.04%	
Amounts below the thresholds for deduction (before risk weighting) (6)			
72	Non-significant investments in the capital of other financials	109,398	(a),(b),(c),(g)
73	Significant investments in the common stock of financials	61,272	(a),(b),(c),(g)
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	9,719	(d),(h)
Applicable caps on the inclusion of allowance in Tier 2 (7)			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	
77	Cap on inclusion of allowance in Tier 2 under Standardized approach	-	
78	Provisions 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: 62 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 Corporate Investment Co., Ltd.	Investment businesses
Daiwa PI Partners Co. Ltd.	Investment businesses
Daiwa Energy & Infrastructure 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. Reconciliation of regulatory capital to balance sheet

CC2 – Reconciliation of regulatory capital to balance sheet

(Millions of yen)

	Balance sheets as in published statements	Under regulatory scope of consolidation	Cross-referenced to CC1
Assets			
Current assets			
Cash and deposits	4,379,897	4,379,897	
Cash segregated as deposits	348,062	348,062	
Notes and accounts receivable-trade	17,116	17,116	
Short-term investment securities (a)	839,550	839,550	18, 39, 54, 72, 73
Trading products (b)	8,186,322	8,186,322	16, 18, 39, 54, 72, 73
Trading date accrual	-	-	
Operational investment securities (c)	153,555	153,555	18, 39, 54, 72, 73
Allowance for investment loss	(181)	(181)	
Operating loans	1,551,634	1,551,634	
Work in process	1,079	1,079	
Margin transaction assets	187,860	187,860	
Loans secured by securities	5,613,075	5,613,075	
Advances paid	18,106	18,106	
Short-term loans receivable	371	371	
Accrued income	36,960	36,960	
Deferred tax assets (d)	-	-	10, 75
Other current assets	550,189	550,189	
Allowance for doubtful accounts	(339)	(339)	
Total current assets	21,883,263	21,883,263	
Noncurrent assets			
Property, plant and equipment	284,165	284,165	
Intangible assets	119,612	119,612	
Goodwill (e)	14,173	14,173	8
Others (f)	105,439	105,439	9
Investments and other assets	522,153	522,153	
Investment securities (g)	457,666	457,666	8, 18, 39, 54, 72, 73
Deferred tax assets (h)	10,110	10,110	10, 75
Others	54,376	54,376	
Total noncurrent assets	925,931	925,931	
Total deferred charges	52	52	
Total assets	22,809,247	22,809,247	

(Millions of yen)

	Balance sheets as in published statements	Under regulatory scope of consolidation	Cross-referenced to CCI
Liabilities			
Current liabilities			
Notes and accounts payable-trade	7,066	7,066	
Trading products	5,477,973	5,477,973	
Trading date accrual	418,459	418,459	
Margin transaction liabilities	73,570	73,570	
Loans payable secured by securities	6,290,055	6,290,055	
Deposits from banking business	4,001,141	4,001,141	
Deposits received	335,991	335,991	
Guarantee deposits received	436,176	436,176	
Short-term loans payable	1,177,524	1,177,524	
Commercial paper	206,000	206,000	
Current portion of bonds	325,016	325,016	
Income taxes payable	5,671	5,671	
Deferred tax liabilities	-	-	
Provision for bonuses	18,857	18,857	
Other current liabilities	122,969	122,969	
Noncurrent liabilities			
Bonds payable	1,203,587	1,203,587	
Long-term loans payable	1,314,917	1,314,917	
Deferred tax liabilities	6,198	6,198	
Net defined benefit liabilities	43,866	43,866	
Provision for loss on litigation	24,464	24,464	
Negative goodwill	-	-	
Other noncurrent liabilities	30,182	30,182	
Reserves under the special laws	3,938	3,938	
Total liabilities	21,523,629	21,523,629	
Net assets			
Shareholders' equity			
Common stock (i)	247,397	247,397	1a
Capital surplus (j)	230,633	230,633	1a
Retained earnings (k)	824,657	824,657	2
Treasury stock (l)	(94,009)	(94,009)	1c
Advances on subscription of treasury stock (m)	4	4	1c
Total shareholders' equity	1,208,682	1,208,682	
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	45,605	45,605	
Deferred gains or losses on hedges (n)	(8,588)	(8,588)	11
Foreign currency translation adjustment	(6,512)	(6,512)	
Total accumulated other comprehensive income (o)	30,504	30,504	3
Subscription rights to shares (p)	8,721	8,721	1b
Minority interests (q)	37,709	37,709	34-35, 48-49
Total net assets	1,285,618	1,285,618	

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 by approaches for banks' equity investments in funds

(Millions of yen)

	Exposures
Equity investments in funds (look-through approach)	746,180
Equity investments in funds (mandate-based approach)	75,763
Equity investments in funds (subject to 250% risk weight)	-
Equity investments in funds (subject to 400% risk weight)	-
Equity investments in funds (fall-back approach)	107
Total	822,051

3. Other quantitative disclosures

OV1: Overview of RWA

(Millions of yen)

Basel III template number		RWA		Minimum capital requirements	
		September 2019	September 2018	September 2019	September 2018
1	Credit risk (excluding counterparty credit risk) (CCR)	1,001,700	813,622	80,135	65,089
2	Of which standardized approach (SA)	684,005	632,744	54,720	50,619
3	Of which internal rating-based (IRB) approach	-	-	-	-
	Of which significant investments	-	-	-	-
	Of which exposures for estimated residual value of lease	-	-	-	-
	Others	317,695	180,877	25,415	14,470
4	Counterparty credit risk	982,493	1,244,837	78,599	99,587
5	Of which standardized approach for counterparty credit risk (SA-CCR)	326,211	-	26,096	-
	Of which current exposure method (CEM)	-	316,493	-	25,319
6	Of which internal model method (IMM)	-	-	-	-
	Of which credit valuation adjustment (CVA) risk	329,919	537,603	26,393	43,008
	Of which exposures to central counterparties (CCPs)	16,191	32,038	1,295	2,563
	Others	310,170	358,702	24,813	28,696
7	Equity positions under market-based approach	-	-	-	-
8	Equity investments in funds (look-through approach)	482,343	394,470	38,587	31,557
9	Equity investments in funds (mandate-based approach)	75,768	-	6,061	-
	Equity investments in funds (subject to 250% risk weight)	-	-	-	-
	Equity investments in funds (subject to 400% risk weight)	-	-	-	-
10	Equity investments in funds (fall-back approach)	1,345	-	107	-
11	Settlement risk	2,067	165	165	13
12	Securitization exposures in banking book	127,643	148,437	10,211	11,875
13	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-
14	Of which external ratings-based approach (SEC-ERBA)	127,643	148,437	10,211	11,875
15	Of which standardized approach (SEC-SA)	-	-	-	-
	Of which 1250% risk weight applied	-	-	-	-
16	Market risk	1,766,164	1,556,021	141,293	124,481
17	Of which standardized approach (SA)	899,319	940,387	71,945	75,230
18	Of which internal model approaches (IMM)	866,845	615,634	69,347	49,250
19	Operational risk	955,149	992,187	76,411	79,375
20	Of which basic indicator approach	955,149	992,187	76,411	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)	177,480	158,140	14,198	12,651
	Amounts included in risk weighted asset due to transitional arrangements	-	-	-	-
24	Floor adjustment	-	-	-	-
25	Total	5,572,157	5,307,882	445,772	424,630

(Millions of yen)

Basel III template number		RWA		Minimum capital requirements	
		September 2019	June 2019	September 2019	June 2019
1	Credit risk (excluding counterparty credit risk) (CCR)	1,001,700	803,669	80,135	64,293
2	Of which standardized approach (SA)	684,005	584,394	54,720	46,751
3	Of which internal rating-based (IRB) approach	-	-	-	-
	Of which significant investments	-	-	-	-
	Of which exposures for estimated residual value of lease	-	-	-	-
	Others	317,695	219,274	25,415	17,541
4	Counterparty credit risk	982,493	963,210	78,599	77,056
5	Of which standardized approach for counterparty credit risk (SA-CCR)	326,211	324,115	26,096	25,929
6	Of which internal model method (IMM)	-	-	-	-
	Of which credit valuation adjustment (CVA) risk	329,919	331,304	26,393	26,504
	Of which exposures to central counterparties (CCPs)	16,191	15,949	1,295	1,275
	Others	310,170	291,841	24,813	23,347
7	Equity positions under market-based approach	-	-	-	-
8	Equity investments in funds (look-through approach)	482,343	426,623	38,587	34,129
9	Equity investments in funds (mandate-based approach)	75,768	71,764	6,061	5,741
	Equity investments in funds (subject to 250% risk weight)	-	-	-	-
	Equity investments in funds (subject to 400% risk weight)	-	-	-	-
10	Equity investments in funds (fall-back approach)	1,345	1,549	107	123
11	Settlement risk	2,067	237	165	18
12	Securitization exposures in banking book	127,643	149,718	10,211	11,977
13	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-
14	Of which external ratings-based approach (SEC-ERBA)	127,643	149,718	10,211	11,977
15	Of which standardized approach (SEC-SA)	-	-	-	-
	Of which 1250% risk weight applied	-	-	-	-
16	Market risk	1,766,164	1,514,782	141,293	121,182
17	Of which standardized approach (SA)	899,319	890,462	71,945	71,237
18	Of which internal model approaches (IMM)	866,845	624,320	69,347	49,945
19	Operational risk	955,149	969,051	76,411	77,524
20	Of which basic indicator approach	955,149	969,051	76,411	77,524
21	Of which standardized approach	-	-	-	-
22	Of which advanced measurement approach	-	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	177,480	189,313	14,198	15,145
	Amounts included in risk weighted asset due to transitional arrangements	-	-	-	-
24	Floor adjustment	-	-	-	-
25	Total	5,572,157	5,089,921	445,772	407,193

CR1: Credit quality of assets

(Millions of yen)

(Millions of yen)

		Gross carrying values of		Allowances/ impairments	Net values ¹
		Defaulted exposures	Non- defaulted exposures		
	On-balance sheet assets				
1	Loans	-	992,746	43	992,703
2	Debt Securities	-	594,127	-	594,127
3	Other on-balance sheet assets (debt products)	41	4,470,337	1,880	4,468,499
4	Sub-total on-balance sheet assets (1+2+3)	41	6,057,211	1,923	6,055,330
	Off-balance sheet assets				
5	Acceptances and guarantees	-	14,050	-	14,050
6	Commitments	-	19,004	-	19,004
7	Sub-total off-balance sheet assets (5+6)	-	33,055	-	33,055
	Total				
8	Total (4+7)	41	6,090,266	1,923	6,088,385

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)

Previous reporting period end: March 2019 Current reporting period end: September 2019			Amounts
1	Defaulted loans and debt securities at end of previous reporting period		624
2	Changes in loans and debt securities during the reporting period	Loans and debt securities that have defaulted since the last reporting period	-
3		Returned to non-defaulted status	546
4		Amounts written off	-
5		Other changes	(36)
6	Defaulted loans and debt securities at end of reporting period (1+2-3-4+5)		41

* 1 Other changes include a decrease due to collection of exposures.

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	869,389	123,313	123,313	-	-
2	Debt securities	594,127	-	-	-	-
3	Other on-balance sheet assets (debt products)	4,468,495	4	4	-	-
4	Total (1+2+3)	5,932,011	123,317	123,317	-	-
5	Of which defaulted	41	-	-	-	-

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	4,841,081	-	4,841,081	-	-	-
3	Non-Japanese sovereign and central bank	95,637	-	95,637	-	17	0.02%
4	Bank for International Settlements (BIS)	-	-	-	-	-	-
5	Japanese local public authorities	0	-	0	-	-	-
6	Non-Japanese public sector entities (excluding sovereign)	2,305	-	2,305	-	529	22.94%
7	Multilateral Development Banks (MDBs)	125	-	125	-	-	-
8	Japan Finance Organization for Municipalities (JFM)	1,352	-	1,352	-	263	19.45%
9	Japanese government-sponsored entities	258,315	-	258,315	-	28,601	11.07%
10	Three major local public corporations of Japan	1	-	1	-	0	20.00%
11	Financial institutions and securities firms	578,892	19,004	578,892	3,801	123,881	21.26%
12	Corporates	354,215	14,054	230,897	14,041	240,054	98.01%
13	SMEs and individuals (risk weight 75% applied)	-	-	-	-	-	-
14	Residential mortgage loans	-	-	-	-	-	-
15	Projects including acquisition of real estate properties	12,846	2,425	12,846	2,425	15,272	100.00%
16	Past due exposures for three months or more(excluding residential mortgage loans)	42	-	42	-	63	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)	275,324	-	275,324	-	275,324	100.00%
22	Total	6,420,134	35,483	6,296,817	20,267	684,005	10.83%

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

(Millions of yen)

	Asset classes	Credit risk exposures (post-CCF and post-CRM)					
		0%	10%	20%	35%	50%	75%
1	Cash	-	-	-	-	-	-
2	Japanese government and central bank	4,841,081	-	-	-	-	-
3	Non-Japanese sovereign and central bank	95,578	-	41	-	19	-
4	Bank for International Settlements (BIS)	-	-	-	-	-	-
5	Japanese local public authorities	0	-	-	-	-	-
6	Non-Japanese public sector entities (excluding sovereign)	-	-	2,220	-	-	-
7	Multilateral Development Banks (MDBs)	125	-	-	-	-	-
8	Japan Finance Organization for Municipalities (JFM)	-	74	1,278	-	-	-
9	Japanese government-sponsored entities	-	230,616	27,699	-	-	-
10	Three major local public corporations of Japan	-	-	1	-	-	-
11	Financial institutions and securities firms	-	-	564,245	-	14,833	-
12	Corporates	-	-	1,485	-	7,393	-
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	4,936,784	230,690	596,968	-	22,244	-

(Millions of yen)

	Asset classes	Credit risk exposures (post-CCF and post-CRM)				
	Risk weight	100%	150%	250%	1250%	Total
1	Cash	-	-	-	-	-
2	Japanese government and central bank	-	-	-	-	4,841,081
3	Non-Japanese sovereign and central bank	-	-	-	-	95,637
4	Bank for International Settlements (BIS)	-	-	-	-	-
5	Japanese local public authorities	-	-	-	-	0
6	Non-Japanese public sector entities (excluding sovereign)	85	-	-	-	2,305
7	Multilateral Development Banks (MDBs)	-	-	-	-	125
8	Japan Finance Organization for Municipalities (JFM)	-	-	-	-	1,352
9	Japanese government-sponsored entities	-	-	-	-	258,315
10	Three major local public corporations of Japan	-	-	-	-	1
11	Financial institutions and securities firms	3,616	-	-	-	582,693
12	Corporates	236,060	-	-	-	244,938
13	SMEs and individuals (risk weight 75% applied)	-	-	-	-	-
14	Residential mortgage loans	-	-	-	-	-
15	Projects including acquisition of real estate properties	15,272	-	-	-	15,272
16	Past due exposures for three months or more(excluding residential mortgage loans)	-	42	-	-	42
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)	275,324	-	-	-	275,325
22	Total	530,357	42	-	-	6,317,086

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

(Millions of yen)

		Replacement cost	PFE	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	154,545	227,525		1.4	534,899	326,211
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)					525,684	310,170
5	VaR for SFTs					-	-
6	Total						636,381

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	477,187	329,919
5	Total subject to the CVA capital charge	477,187	329,919

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		1,216	-	-
2	Non-Japanese sovereign and central bank		22,942	-	1,192
3	Bank for International Settlements (BIS)		65	-	-
4	Japanese local public authorities		69	-	-
5	Non-Japanese public sector entities (excluding sovereign)		-	-	46,152
6	Multilateral Development Banks (MDBs)		6,040	-	-
7	Japan Finance Organization for Municipalities (JFM)		-	-	3,848
8	Japanese government-sponsored entities		-	9,901	452
9	Three major local public corporations of Japan		-	-	-
10	Financial institutions and securities firms		-	-	415,150
11	Corporates		-	-	6,395
12	SMEs and individuals (risk weight 75% applied)		-	-	-
13	Other assets		-	-	-
14	Total		30,333	9,901	473,191

(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		112	-	-
3	Bank for International Settlements (BIS)		-	-	-
4	Japanese local public authorities		-	-	-
5	Non-Japanese public sector entities (excluding sovereign)		65	-	-
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		340	-	84
11	Corporates		12,288	-	534,265
12	SMEs and individuals (risk weight 75% applied)		-	-	-
13	Other assets		-	-	-
14	Total		12,807	-	534,349

(Millions of yen)

	Regulatory portfolio	Risk weight	EAD (post-CRM)		
			150%	Others	Total credit exposure
1	Japanese government and central bank		-	-	1,216
2	Non-Japanese sovereign and central bank		-	-	24,247
3	Bank for International Settlements (BIS)		-	-	65
4	Japanese local public authorities		-	-	69
5	Non-Japanese public sector entities (excluding sovereign)		-	-	46,217
6	Multilateral Development Banks (MDBs)		-	-	6,040
7	Japan Finance Organization for Municipalities (JFM)		-	-	3,848
8	Japanese government-sponsored entities		-	-	10,354
9	Three major local public corporations of Japan		-	-	-
10	Financial institutions and securities firms		-	-	415,574
11	Corporates		-	-	552,949
12	SMEs and individuals (risk weight 75% applied)		-	-	-
13	Other assets		-	-	-
14	Total		-	-	1,060,583

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	15,326	172,792	95,916	223,780	3,239,848	2,254,795
2	Cash - other currencies	66,729	20,016	2,471	17,845	4,971,669	4,033,115
3	Domestic sovereign debt	223	22,926	-	8,576	1,280,346	1,854,366
4	Other sovereign debt	367	-	-	-	3,327,165	3,610,951
5	Government agency debt	1,567	-	-	-	906,491	1,475,090
6	Corporate bonds	39,962	-	-	-	48,854	127,502
7	Equity securities	9,431	763	48,327	50	623,977	292,038
8	Other collateral	3,744	-	-	-	23,498	52,134
9	Total	137,354	216,498	146,714	250,251	14,421,851	13,699,995

* Collateral applied to credit risk mitigation techniques

CCR6: Credit derivatives exposures

(Millions of yen)

		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	691,242	904,942
2	Index credit default swaps	345,788	349,767
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	208,759	-
6	Total notionals	1,245,790	1,254,709
	Fair values		
7	Positive fair value (asset)	1,985	17,196
8	Negative fair value (liability)	(18,373)	(6,154)

CCR8: Exposures to central counterparties

(Millions of yen)

		EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)		16,191
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	231,808	4,636
3	(i) OTC derivatives	109,510	2,190
4	(ii) Exchange-traded derivatives	11,874	237
5	(iii) Securities financing transactions	110,422	2,208
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	135,668	
8	Non-segregated initial margin	18,896	426
9	Pre-funded default fund contributions	48,550	11,128
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	145,417	-	145,417
2	residential mortgage	88,157	-	88,157
3	credit card	-	-	-
4	other retail exposures	57,260	-	57,260
5	re-securitization	-	-	-
6	Wholesale (total) - of which	471,827	-	471,827
7	loans to corporates	-	-	-
8	commercial mortgage	-	-	-
9	lease and receivables	183	-	183
10	other wholesale	471,644	-	471,644
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	1,649	-	1,649
2	residential mortgage	1,649	-	1,649
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	46	-	46
2	residential mortgage	46	-	46
3	credit card	-	-	-
4	other retail exposures	-	-	-
5	re-securitization	-	-	-
6	Wholesale (total) - of which	-	2,893	2,893
7	loans to corporates	-	2,893	2,893
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	(Millions of yen)			
			Traditional securitization	Of which securitization	Of which retail underlying	Of which wholesale
	Exposure values (by RW bands)					
1	≤20% RW	602,745	602,745	602,745	130,917	471,827
2	>20% to 50% RW	-	-	-	-	-
3	>50% to 100% RW	14,500	14,500	14,500	14,500	-
4	>100% to <1250% RW	-	-	-	-	-
5	1250% RW	-	-	-	-	-
	Exposure values(by regulatory approach)					
6	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
7	Of which external ratings-based approach (SEC-ERBA)	617,245	617,245	617,245	145,417	471,827
8	Of which standardized approach (SEC-SA)	-	-	-	-	-
9	Of which 1250% risk weight applied	-	-	-	-	-
	RWA(by regulatory approach)					
10	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
11	Of which external ratings-based approach (SEC-ERBA)	127,643	127,643	127,643	33,286	94,356
12	Of which standardized approach (SEC-SA)	-	-	-	-	-
13	Of which 1250% risk weight applied	-	-	-	-	-
	Capital charge after cap					
14	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
15	Of which external ratings-based approach (SEC-ERBA)	10,211	10,211	10,211	2,662	7,548
16	Of which standardized approach (SEC-SA)	-	-	-	-	-
17	Of which 1250% risk weight applied	-	-	-	-	-

(Millions of yen)

		Total exposures				
		Traditional securitization			Synthetic securitization	Of which securitization
		Of which re-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	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
7	Of which external ratings-based approach (SEC-ERBA)	-	-	-	-	-
8	Of which standardized approach (SEC-SA)	-	-	-	-	-
9	Of which 1250% risk weight applied	-	-	-	-	-
	RWA(by regulatory approach)					
10	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
11	Of which external ratings-based approach (SEC-ERBA)	-	-	-	-	-
12	Of which standardized approach (SEC-SA)	-	-	-	-	-
13	Of which 1250% risk weight applied	-	-	-	-	-
	Capital charge after cap					
14	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
15	Of which external ratings-based approach (SEC-ERBA)	-	-	-	-	-
16	Of which standardized approach (SEC-SA)	-	-	-	-	-
17	Of which 1250% risk weight applied	-	-	-	-	-

(Millions of yen)

		Total exposures				
		Synthetic securitization				
		Of which securitization		Of which re-securitization	Of which senior	Of which non-senior
		Of which retail	Of which wholesale			
	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	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
7	Of which external ratings-based approach (SEC-ERBA)	-	-	-	-	-
8	Of which standardized approach (SEC-SA)	-	-	-	-	-
9	Of which 1250% risk weight applied	-	-	-	-	-
	RWA(by regulatory approach)					
10	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
11	Of which external ratings-based approach (SEC-ERBA)	-	-	-	-	-
12	Of which standardized approach (SEC-SA)	-	-	-	-	-
13	Of which 1250% risk weight applied	-	-	-	-	-
	Capital charge after cap					
14	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-	-
15	Of which external ratings-based approach (SEC-ERBA)	-	-	-	-	-
16	Of which standardized approach (SEC-SA)	-	-	-	-	-
17	Of which 1250% risk weight applied	-	-	-	-	-

MR1 : Market risk under standardized approach

(Millions of yen)

		RWA
1	Interest rate risk (general and specific)	657,245
2	Equity risk (general and specific)	142,917
3	Foreign exchange risk	80,656
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitization	18,500
9	Total	899,319

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

(Millions of yen)

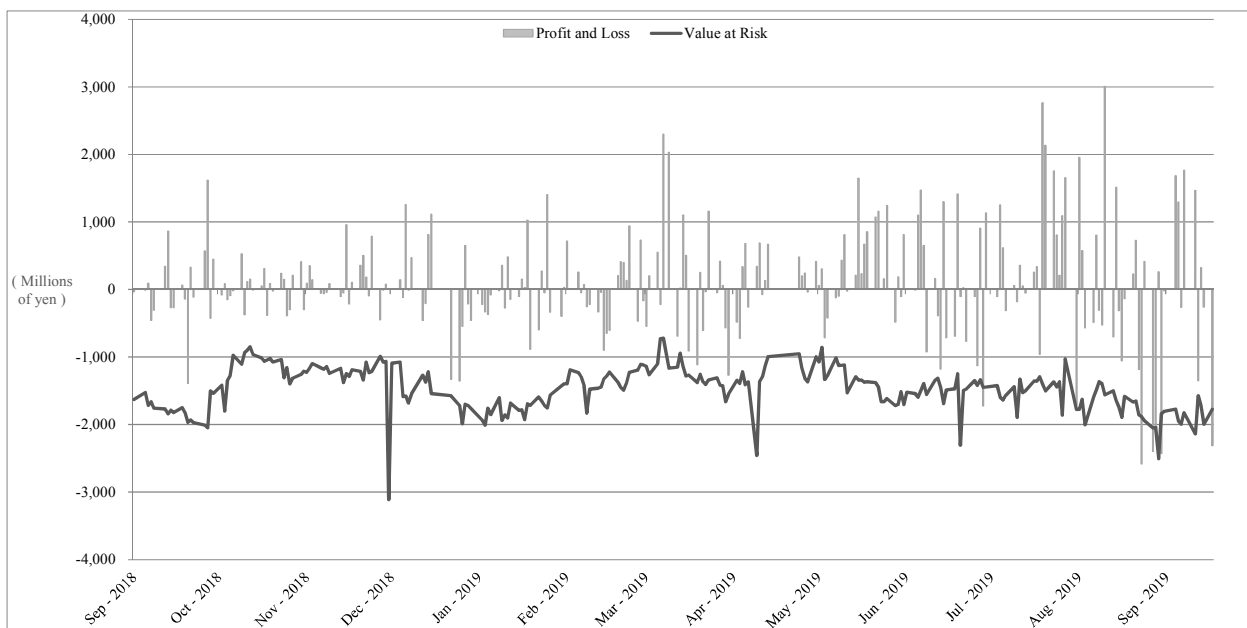
		VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA at previous quarter end	168,261	456,058	-	-		624,320
1b	Adjustments to RWA based on the regulatory consolidated capital at previous quarter end	3.38	3.33	-	-		3.34
1c	Amounts of IMA at previous quarter end	49,651	136,844	-	-		186,496
2	Change in reporting period	Movement in risk levels	5,584	38,002	-	-	43,587
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	55,236	174,847	-	-		230,083
8b	Adjustments to RWA based on the regulatory consolidated capital at end of reporting period	3.59	3.82	-	-		3.76
8c	RWA at end of reporting period	198,308	668,536	-	-		866,845

MR3 : IMA values for trading portfolios

(Millions of yen)

	VaR (10 day 99%) –	
1	Maximum value	9,110
2	Average value	4,703
3	Minimum value	1,932
4	Period end	4,418
	Stressed VaR (10 day 99%)	
5	Maximum value	19,606
6	Average value	12,503
7	Minimum value	4,638
8	Period end	13,987
	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)	
		Δ EVE	
		September 2019	September 2018
1	Parallel up	6,034	4,555
2	Parallel down	25,744	27,769
3	Steepener	1,178	2,037
4	Flattener	402	587
5	Short rate up	2,674	1,755
6	Short rate down	19,330	15,753
7	Maximum	25,744	27,769
		September 2019	September 2018
8	Tier 1 capital	1,061,011	1,105,298

Δ NI 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.

CCyB1: Geographical distribution of credit exposures used in the countercyclical buffer

(Millions of yen)

Geographical breakdown	Countercyclical capital buffer rate	Risk-weighted assets used in the computation of the countercyclical capital buffer	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
Hong Kong SAR	2.50%	13,188		
Sweden	2.00%	831		
United Kingdom	1.00%	42,382		
France	0.25%	823		
Sum		57,225		
Total		2,217,793	0.03%	665

* Basically, Risk-weighted assets used in the computation of the countercyclical capital buffer are calculated on an "ultimate risk" basis. For a part of assets which are difficult to allocate jurisdictions by ultimate risk method, we adopt the jurisdictions which are recorded in balance sheet to the calculation.

Consolidated Leverage Ratio

1. Composition of consolidated leverage ratio

(Millions of yen , %)

Basel III template number (2)	Basel III template number (1)	Items	September 2019	September 2018
On-balance sheet exposures (1)				
1		On-balance sheet items before adjustments	13,415,147	11,558,980
1a	1	Total assets in the consolidated balance sheet	22,809,247	20,963,519
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	9,394,100	9,404,539
2	7	Common Equity Tier 1 capital: regulatory adjustments	158,271	149,142
3		Total on-balance sheet exposures (excluding derivatives and SFTs) (A)	13,256,876	11,409,838
Derivative exposures (2)				
4		Replacement cost associated with all derivatives transactions (with the 1.4 alpha factor applied)	496,185	-
		Replacement cost associated with all derivatives transactions	-	421,102
5		Add-on amounts for PFE associated with all derivatives transactions (with the 1.4 alpha factor applied)	403,272	-
		Add-on amounts for PFE associated with all derivatives transactions	-	1,331,249
		Gross-up for collateral posted in derivative transactions	-	309,389
6		Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
		Gross-up for derivatives cash margin 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	190,393	92,504
8		Exempted CCP leg of client-cleared trade exposures		
9		Adjusted effective notional amount of written credit derivatives	1,254,709	1,261,095
10		Adjusted effective notional offsets and add-on deductions for written credit derivatives	974,889	996,293
11	4	Total derivative exposures (B)	988,884	2,234,038
Securities financing transaction exposures (3)				
12		Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	6,278,838	7,635,941
13		Netted amounts of cash payables and cash receivables of gross SFT assets	1,403,844	1,617,685
14		CCR exposure for SFT assets	194,797	183,463
15		Agent transaction exposures		
16	5	Total securities financing transaction exposures (C)	5,069,791	6,201,719
Other off-balance sheet exposures (4)				
17		Off-balance sheet exposure at gross notional amount	152,665	124,169
18		Adjustments for conversion to credit equivalent amounts	50,812	52,804
19	6	Off-balance sheet items (D)	101,853	71,365
Capital and total exposures (5)				
20		Tier 1 capital (E)	1,061,011	1,105,298
21	8	Total exposures (A)+(B)+(C)+(D) (F)	19,417,404	19,916,960
22		Leverage ratio on a consolidated basis (E) / (F)	5.46%	5.54%

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
3a	Other TLAC-eligible instruments governed by foreign 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	1,191,615 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	—
34a	Type of subordination	—
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
3a	Other TLAC-eligible instruments governed by foreign 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	145 million Yen	198 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	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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	183 million Yen	252 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	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 2010	Stock subscription right series 7
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	301 million Yen	209 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2010	September 1, 2010
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2030	June 25, 2020
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger(s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 2011	Stock subscription right series 8
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	366 million Yen	211 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2011	September 5, 2011
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2031	June 24, 2021
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger(s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 February 2013	Stock subscription right series 9
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	415 million Yen	962 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	February 12, 2013	February 12, 2013
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2032	June 26, 2022
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger(s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 February 2014	Stock subscription right series 10
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	355 million Yen	1,082 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	February 10, 2014	February 10, 2014
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2033	June 25, 2023
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger(s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 February 2015	Stock subscription right series 11
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	375 million Yen	951 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	February 9, 2015	February 9, 2015
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2034	June 25, 2024
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger(s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 February 2016	Stock subscription right series 12
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	376 million Yen	414 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 16, 2016
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2035	June 24, 2025
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	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 February 2017	Stock subscription right series 13
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	404 million Yen	536 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, 2017
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2036	June 27, 2026
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	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 February 2018	Stock subscription right series 14
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	435 million Yen	341 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	February 8, 2018
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2037	June 27, 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	—	—
34a	Type of subordination	—	—
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
3a	Other TLAC-eligible instruments governed by foreign 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 15	Stock subscription right series 16
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	184 million Yen	15 million Yen
9	Par value of instrument	—	
10	Accounting classification		
	Consolidated balance sheets	Stock subscription right	Stock subscription right
11	Original date of issuance	August 10, 2018	August 15, 2019
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 26, 2028	July 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	—	—
34a	Type of subordination	—	—
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