

July 31, 2024

Daiwa Securities Group Inc.

Report Regarding Consolidated Capital Adequacy Ratio
and Consolidated Leverage Ratio
Situation of Soundness in Management as of March 31, 2024

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 March 31, 2024.

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Key Metrics (at consolidated group level)

KM1: Key metrics

(Millions of yen , %)

Basel III template number		March 2024	December 2023	September 2023	June 2023	March 2023
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1,331,138	1,299,914	1,308,028	1,305,377	1,240,674
2	Tier 1	1,520,820	1,489,647	1,495,881	1,491,860	1,429,860
3	Total capital	1,529,866	1,498,996	1,502,097	1,495,580	1,439,174
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	7,087,470	6,691,815	6,789,921	6,931,589	6,808,704
Capital ratio						
5	CET1 ratio (%)	18.78%	19.42%	19.26%	18.83%	18.22%
6	Tier 1 ratio (%)	21.45%	22.26%	22.03%	21.52%	21.00%
7	Total capital ratio (%)	21.58%	22.40%	22.12%	21.57%	21.13%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.08%	0.08%	0.08%	0.05%	0.04%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.08%	3.08%	3.08%	3.05%	3.04%
12	CET1 available after meeting the bank's minimum capital requirements (%)	13.58%	14.40%	14.12%	13.57%	13.13%
Leverage ratio						
13	Total leverage ratio exposure measure	24,461,756	24,439,442	27,268,928	26,077,120	22,195,226
14	Leverage ratio (%) including the impact of any applicable temporary exemption of central bank reserves	6.21%	6.09%	5.48%	5.72%	6.44%

Composition of Capital Disclosure

CC1: Composition of regulatory capital

(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	1,283,131	
1a	Common stock and capital surplus	479,858	(i),(j)
2	Retained earnings	961,375	(k)
1c	Treasury stock (Δ)	123,070	(l),(m)
26	Planned distributions (Δ)	35,032	
	Others	-	
1b	Stock subscription rights	6,956	(p)
3	Accumulated other comprehensive income (and other reserves)	204,112	(o)
5	Minority interest after adjustments	-	
6	Common Equity Tier 1 capital before regulatory adjustments	(a) 1,494,200	
Common Equity Tier 1 capital: regulatory adjustments		(2)	
8+9	Intangible assets other than mortgage-servicing rights (net of related tax liability)	160,132	
8	Goodwill (net of related tax liability)	49,170	(e),(g)
9	Other intangibles other than mortgage-servicing rights(net of related tax liability)	110,962	(f)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	187	(d),(h)
11	Cash-flow hedge reserve	1,019	(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	593	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	134	(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)	993	(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	-	
28	Total regulatory adjustments to Common equity Tier 1	(b) 163,062	
Common Equity Tier 1 capital			
29	Common Equity Tier 1 capital (CET1) ((a) - (b))	(c) 1,331,138	

(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	149,900	
	Instruments issued by Special Purpose Companies	-	
34-35	Minority interest after adjustments	39,897	(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) 189,797	
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)	115	(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	-	
43	Total regulatory adjustments to Additional Tier 1 capital	(e) 115	
Additional Tier 1 capital			
44	Additional Tier 1 capital ((d) - (e))	(f) 189,681	
Tier 1 capital			
45	Tier 1 capital ((c) + (f))	(g) 1,520,820	
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	9,387	(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) 9,387	

(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)	341	(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)	-	
57	Total regulatory adjustments to Tier 2 capital (i)	341	
Tier 2 capital			
58	Tier 2 capital ((h) - (i)) (j)	9,046	
Total capital			
59	Total capital ((g) + (j)) (k)	1,529,866	
Risk-weighted assets (5)			
60	Total risk-weighted assets (l)	7,087,470	
Consolidated capital adequacy ratio			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) ((c) / (l))	18.78%	
62	Tier 1 (as a percentage of risk-weighted assets) ((g) / (l))	21.45%	
63	Total capital (as a percentage of risk-weighted assets) ((k) / (l))	21.58%	
64	CET1 specific buffer requirement	3.08%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.08%	
67	of which: G-SIB/D-SIB additional requirement	0.50%	
68	CET1 available after meeting the minimum capital requirements	13.58%	
Amounts below the thresholds for deduction (before risk weighting) (6)			
72	Non-significant investments in the capital of other financials	133,213	(a),(b),(c),(g)
73	Significant investments in the common stock of financials	97,100	(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)	6,640	(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 Standardized 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).

Subsidiaries defined in Ordinance for Enforcement of the Banking Act are included in the corporate group ("Daiwa Securities Group", hereunder the Group), which is equivalent to the scope of consolidated capital adequacy ratio calculation (the regulatory scope of consolidation). The regulatory scope of consolidation has a wider coverage than the scope of consolidation in the financial statements.

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

Number of consolidated subsidiaries: 144 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 Ltd.	Information services
Daiwa Securities Business Center Co. Ltd.	Back office operations
Daiwa Facilities Co.,Ltd.	Lending and borrowing of real estate
	Management of real estate
Daiwa Next Bank, Ltd.	Banking businesses
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 Securities Realty Co. Ltd.	Real estate-related businesses
Daiwa Office Investment Corporation	Investment management for specified assets
Samty Residential Investment Corporation	Investment management for specified assets
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 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.

List of subsidiaries not included under the scope of consolidation in the financial statements but belonging to the Group

(Millions of yen)

Subsidiaries belonging to the Group	Businesses	Total Assets	Net Assets
Daiwa Investor Relations Co. Ltd.	Research and consulting regarding corporate management policy, finance policy, shareholder policy, corporate image, and IR activities	764	428
DMS Ltd.	Information services	182	173
	Market research and consulting services		
Asian Energy Investments Pte., Ltd.	Investment management businesses	2	0
	Investment advisory and agency businesses		
Daiwa ACA HealthCare Inc.	Investment funds management businesses	364	349
	Asset management businesses		
	Real estate businesses		
Daiwa Corporate Investment Asia Ltd.	Investment businesses	224	189
ILC inc.	Investment management businesses	279	(461)
	Investment advisory and agency businesses		
Daiwa Asset Management (H.K.) Limited	Investment management businesses	63	63
	Investment advisory and agency businesses		

There are no companies included under the scope of consolidation in the financial statements but not belonging to the Group.

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. Overview of capital adequacy assessment methods

The Group sets forth “The Rules of Economic Capital Management” and “The Rules of Regulatory Capital Management”, and assesses capital adequacy from economic capital, regulatory capital, and stress testing points of view.

<Economic Capital>

The Group allocates economic capital for major Group companies within the risk appetite framework. The allocated amount takes into account the capital buffer reserved for stress events. Economic capital allocated toward major companies is decided based upon the historical risk amount, business plan/budget, and so on.

The Group computes group companies’ risk associated with businesses, and assesses its capital adequacy by confirming if such result falls within the range of allocated economic capital.

<Regulatory Capital>

The Group monitors regulatory capital against the alert level which is set well above the minimum regulatory capital ratio, and sets the alert level for internal management to evaluate the capital adequacy periodically.

<Stress Testing>

The Group uses the stress testing method to perform analysis on the impact on the soundness of the Group while in a stressed situation, validate the relevancy of plans from the angle of the economic capital and the regulatory capital. The experts and relevant departments conduct discussions on analyzing both the inside and outside environments to make multiple scenarios for the stress test.

3. Overview of the risk characteristics, and the policies, procedures and structure of the Group-wide risk management

The Group has introduced the risk appetite framework to strengthen risk governance from the management level.

Based on the characteristics of various risks held in business, the Group has established basic matters to manage risks appropriately. The risk management structure is established to ensure financial soundness and business adequacy.

<Risk Appetite Framework>

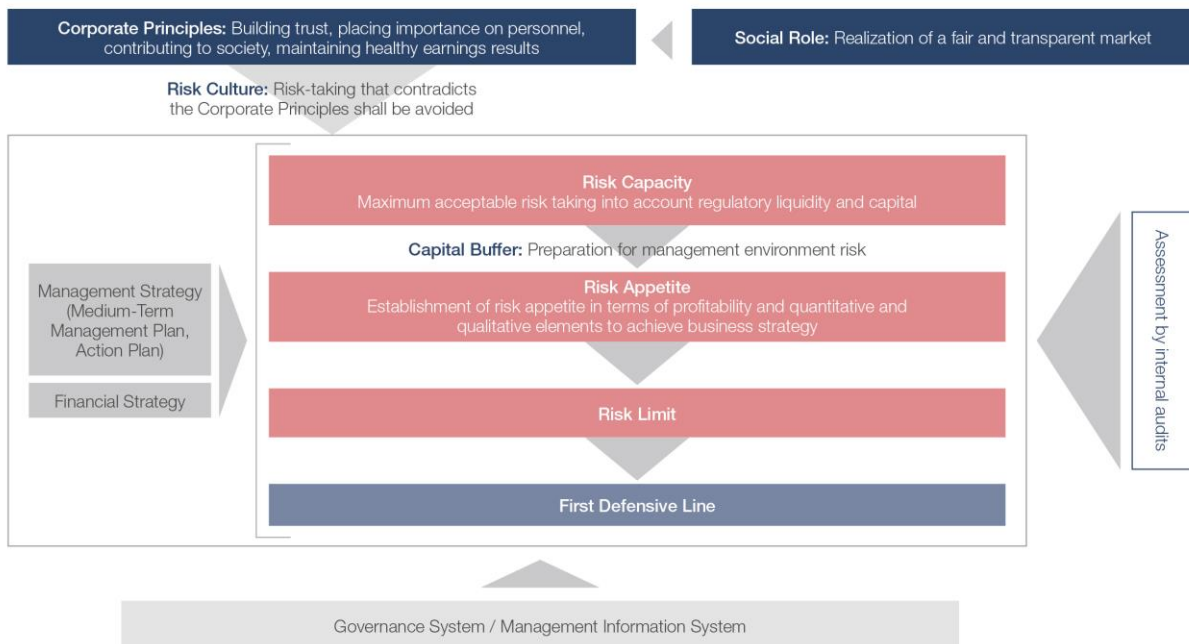
The risk appetite framework defines risk appetite as the type and total amount of risk that should be assumed in order to achieve profit targets and business plans. It is the framework of group-wide risk control.

The Group operates the risk appetite framework as described below.

(Overview of Risk Appetite Framework)

According to the liquidity, capital adequacy, concentration risk, and operational risk, as well as its business plan and risk characteristics, the Group adopts appropriate risk appetite metrics, sets the acceptable level of risk and the response plan in case of excess, and keeps conducting management and monitoring them.

The Group has facilitated documentation of the risk appetite statement for this framework, instilled a risk appetite culture in the Group and improved the level of business and risk management systems, as well as fostered a culture of risk management.



The Roles and Responsibilities in the Risk Appetite Framework

-Board of Directors-

Conduct deliberation and determination of risk appetite statements, which include quantitative indicators of risk appetite of the Group.

-Audit Committee-

Perform audit on execution of duties by the Board of Directors and management regarding the risk appetite framework.

-Group Risk Management Committee-

Conduct the Group's risk limits based upon the approved risk appetite.

In addition, properly grasp the status of risks including the situation of the risk management system and the risk limits violation of the group companies.

-CEO-

The CEO is responsible for the Group's overall management, which includes the group-wide business strategies, risk strategies and development and maintains the risk appetite framework.

-COO-

The COO has responsibility to assist the CEO's overall management which is based on the risk appetite framework.

-CFO-

The CFO is responsible for the Group's overall financial management which is based on the risk appetite framework.

-CRO-

Carry out development of the risk appetite statement and obtain board approval for the statement.

In addition, based on the statement, the CRO is responsible for the Group's overall risk management, which includes consolidating and monitoring the risk management system of each group company.

-CDO-

Based on the risk appetite framework, the CDO has responsibility to manage the overall data governance and the information system.

-Risk Management Department and compliance department of each group company-

As the second line of defense, based on the risk appetite, business size and risk characteristics, consolidate the risk limits for the company.

-Business department of each group company-

As the first line of defense, conduct autonomous risk management.

Detect exceeding of risk limits during daily business. Consolidate the appropriate system to perform countermeasure analysis and report to the Risk Management Department.

- Internal audit department-

As the third line of defense, conduct independent examination and evaluation for the Group's risk management framework. Consolidate an appropriate internal audit system to verify the effectiveness of the risk appetite framework.

(The operating structure of the risk appetite framework)

The Group's Board of Directors reviews the risk appetite statement on a semi-annual basis.

The risk appetite framework is also reviewed properly when business strategies or capital allocation plans are revised or the external environment changes significantly or great excess occurs on the risk profile.

<Risk characteristics and management policy, risk management system >

The Group is exposed to various risks in management. Of particular importance to the Group are the risks associated with its core securities business. Since the Group temporarily holds product positions for sale using its own account and offers products to customers, it is necessary to introduce liquidity risk including foreign currency, market risk resulting from market fluctuations, credit risk to trading partners and issuers, risk for which hedge does not function, operational risk that inevitably arises in executing business and model risk stemming from the use of decision-making models. The Group is also subject to investment risk due to deterioration in the business performance and credit status of investees, as well as to changes in the market environment, that coincide with the execution of growth investments. The Group conducts integrated risk management that measures the impact on capital and liquidity within the Group from a forward-looking perspective.

Based on the risk appetite framework, Daiwa Securities Group Inc. plays a central role in risk governance system consolidation from the integrated management perspective. The Group Risk Management Committee, which is a subcommittee of the Executive Committee of the Group, performs monitoring on the risk management system and the status of risks of the group companies, to strengthen the risk management of the entire group.

The contents of each Group Risk Management Committee meeting are reported to the Audit Committee.



In addition, based on the group-wide risk management and the approved risk appetite framework, the Group Risk Management Committee established the basic policy of risk management in the "Risk Management Regulations," which includes the following components:

(Basic policy of risk management)

1. Management's proactive involvement in risk management.
2. The structure of a risk management system that responds to features of the risks held by the Group.
3. Understand overall risk based on integrated risk management, secure strong capital and the soundness of liquidity.
4. Clarify the risk management process.

In addition, the group assigns the executive management and department to take charge of managing each risk.

(Definitions of Risks)

-Market risk-

Market risk refers to the risk of incurring losses due to market fluctuations, which affect the value of stock prices, interest rates, foreign exchange rates, and commodity prices, or due to the event of significant market liquidity declining, fluctuations occurring and a trade cannot be concluded or a trade is forced under a disadvantageous condition.

-Credit risk-

Credit risk refers to the risk of losses caused in cases where a counterparty of a trade or the issuer of a financial product held by the Group suffers a default, or credibility deteriorates. The credit risk of the Group's trading activities involves counterparty risk and issuer risk.

-Liquidity risk-

Liquidity risk refers to the risk of suffering losses due to cash management difficulties or having to finance at markedly higher costs than usual as a result of a change in market conditions or a deterioration of Group companies' finances.

-Operational risk-

Operational risk is the risk of losses that occur when internal processes, people, and systems do not perform adequately or do not function; it can also arise from external events.

- Model risk -

Model risk refers to the risk that the Group will suffer losses due to model development, implementation errors, or model misuse.

- Investment risk -

Investment risk refers to the risk that the value of the investment made by the Group will be damaged, that additional funding will be required, or that the return on investment will be lower than expected due to deterioration of the business performance and credit status of the investee changes in the market environment.

-Reputational risk-

Reputational risk refers to the possibility of the Group sustaining unforeseen losses and the Group's counterparties being adversely affected due to a deterioration of its reliability, reputation, and assessment caused by the spread of rumors or erroneous information.

-Accounting and tax risk-

Accounting and tax risk is the risk of not conducting appropriate accounting treatment and disclosure in accordance with accounting or taxation standards, laws, and regulations, or of not filing or paying taxes appropriately, as well as the risk of losses arising as a result.

Executive Management, department and committee (to deliberate and decide the policies and specific measures of risk management) in charge of each risk

Risk category	Executive management	Department	Committee
Market risk	CRO	Risk Management Department	Group Risk Management Committee
Credit risk	CRO	Risk Management Department	Group Risk Management Committee
Liquidity risk	CRO	Risk Management Department	Group Risk Management Committee
Operational risk	CRO	Risk Management Department	Group Risk Management Committee
Model risk	CRO	Risk Management Department	Group Risk Management Committee
Investment risk	CRO	Risk Management Department	Group Risk Management Committee
Reputational risk	Executive Managing Director of Corporate Communication Executive Officer responsible for Investor Relations Executive Managing Director of Compliance	Corporate Communication Department Investor Relations Office Compliance Control Department	Disclosure Committee
Accounting and tax risk	CFO	Finance Department	Group Risk Management Committee

(Three lines of defense)

In order to establish an effective risk governance system, the Group consolidates the risk management framework based on the “three lines of defense”.

“Three lines of defense” is the concept of clarifying functions, roles and responsibilities in risk management and performing sound management. The first line is autonomous risk management. The second line is group-wide risk management. The third line is internal audit.



4. Credit risk

A). Overview of the risk characteristics and the policies, procedures and structure of risk management

The Group's credit risk consists of counterparty credit risk and issuer risk.

For counterparty credit risk, the Group assigns a credit limit to each counterparty group, and monitors regularly. Additionally, the Group measures the aggregated counterparty risk. The Group also monitors issuer risk related to the market instruments position held as a result of market making activities.

The Group conducts various activities including product offering, and asset management/investment, and due to this, exposure associated with various financial instruments as well as transactions occasionally concentrate toward a particular counterparty group. Because an unforeseen severe loss may be incurred as a result of credit deterioration of the particular counterparty group, the Group assigns credit limits on a cumulative exposure amount and monitors regularly.

The Group has a structure to appropriately control credit risk. The Group's risk management department measures the amount of credit risk exposure and reports to management daily. In addition, the risk management department also conducts the screening of business partners, setting of credit facilities, measuring the quantity of risk, monitoring of the credit risk situation and reporting to the Group risk management committee.

B). Overview of accounting allowance and write-off standards

In order to prepare for the loss from bad debts on loans and others, allowances are provided, based on the historical default rate for normal claims, and based on individually assessed amounts and cash flow estimation for doubtful and default loans.

The subsidiary bank classifies the normal claims by category, according to the "Practical Guidelines on Self-Assessment of Assets of Financial Institutions of Banks and Others and Impairment of Bankruptcy and Allowance for Doubtful Accounts" (JICPA Special Audit Committee for Banks and Other Financial Institutions Report No. 4 April 14, 2022), and records them on an expected loss ratio basis. Based on the self-assessment criteria of assets, the sales department and credit examination department conduct assessments for all claims.

C). Use of the External Credit Assessment Institutions (hereunder ECAIs) for determining the risk weight under the standardized approach

- Rating & Investment Information, Inc.
- Japan Credit Rating Agency, Ltd.
- Moody's Investors Service
- S&P Global Ratings

5. Overview of the risk characteristics and the policies, procedures and structure for Credit Risk Mitigation (hereunder CRM) techniques (excluding credit risk mitigation-related derivative and repo-style transactions)

A). Overview of the basic characteristics of policies, processes and the usage of netting

In securities-secured loans, loans are made up to the maximum borrowing amount within the market value of the securities received as collateral. After the execution of a loan, a netting agreement is conducted for the amount of the loan and the collateral valuation. Additional collateral is called in response to the deterioration of the ratio of the loan amount to the collateral value. Furthermore, collateral disposal is executed to protect loans when the deterioration is regarded as prolonged.

B). Overview of the basic characteristics of policies and processes of collateral evaluation and collateral management

Collateral is used for CRM techniques. Types of collateral are generally cash or high liquid securities. Eligible collateral type and collateral haircut rate are set in consideration of the creditworthiness and liquidity of each collateral.

The exposure amount and collateral value are, accordingly, calculated and compared daily.

C). Overview of the concentration of market risk and credit risk under applying CRM

Since price fluctuations occur with securities which are posted as collateral, assessment rates are evaluated by such volatility. In order to prevent concentration, for identical securities received from different business partners, an upper limit is set for the number of securities received.

6. Overview of the risk characteristics and the policies, procedures and structure for the counterparty credit risk management of derivative and repo-style transactions (including CRM-related transactions)

A). Policy on how to assign risk capital and credit limits for exposures to counterparties and central clearing houses

For derivative and repo-style transactions, a credit review of the counterparty is conducted in advance, and a credit limit is assigned when the credit soundness is confirmed. The exposure amount and collateral value are calculated and compared daily; accordingly, collateral is pledged or accepted. Likewise, for long settlement transactions, a credit review of the counterparty is required and the transaction can only be conducted if the credit limit is assigned.

B). Overview of the policies of collateral evaluation, collateral management and disposal procedures for collateral, guarantees and netting agreement

Collateral is used for CRM techniques. Types of collateral are generally cash or highly liquid securities. Eligible collateral type and collateral haircut rate are set in consideration of the creditworthiness and liquidity of each collateral. Received collateral is valued mark to market daily and monitored against exposures.

In the event that a business partner defaults, collateral will be sold in the market for claims protection.

For uncollateralized exposures, an allowance amount is calculated based upon the potential exposure calculated by simulation and the CDS spread observed in the market.

For derivative and repo-style transactions, bilateral netting agreements (ISDA Master Agreement, etc.) and collateral agreement (ISDA CSA, etc.) are generally set. For a transaction where a legally enforceable bilateral netting arrangement exists, CRM techniques are applied. The Group uses the Comprehensive Approach for CRM techniques.

C). Explanation of the impact caused by additional collateral needs to be posted due to the deterioration of the creditworthiness of the Group

Upon the time when its own credit rating is downgraded, additional collateral will be required. The Group carefully monitors the additional collateral amount and, accordingly, such amount falls into the allowable level.

7. Securitization exposures

A). Overview of the risk characteristics and the policies, procedures and structure for risk management

The Group is involved in securitization transactions generally as an investor, and, accordingly, holds securitization products under investment, banking and trading business. Securitization products include market risk, credit risk, as well as risks related to the assets, stratified/tranched structure and others. Outstanding exposures and credit soundness of securitization products are periodically monitored by independent risk control departments.

B). Overview of monitoring framework of the regulation set forth under the provision of Article 226 Paragraph 1(i)-(iv) of the Notification

Based on the regulations, periodical monitoring of securitization exposures is being conducted in order to adequately grasp comprehensive risk characteristics of securitization exposures including risk characteristics of underlying assets, performance-related information of underlying assets, and the scheme of the securitization transaction.

C). List of special purpose entities (hereunder SPEs) where the Group acts as the sponsor, indicating whether the Group consolidates the SPEs into its scope of regulatory consolidation, and affiliated entities that the Group manages or advises and that invest either in the securitization exposures that the Group has securitized or in SPEs that the Group sponsors

Not applicable.

D). List of entities to which the Group provides implicit support and the associated capital impact for each of them

Not applicable.

E). Accounting policy applied for the securitization transaction

The Group complies with Accounting Standard Board of Japan Statement No. 10, “Accounting Standard for Financial Instruments” in recognizing, evaluating, and booking the occurrence or extinguishment of financial assets or liabilities related to securitization transactions.

F). Names of ECAs used for securitizations and the type of securitization exposures for which each agency is used

The following ECAs are used in order to determine the risk weight for the securitization exposures.

- Rating & Investment Information, Inc.
- Japan Credit Rating Agency, Ltd.
- Moody’s Investors Service
- S&P Global Ratings

G). Overview of the process for implementing the Basel Internal Assessment Approach if applicable

Not applicable.

8. Market risk

A). Overview of the risk characteristics and the policies, procedures and structure for the risk management

The Group provides market liquidity through the trading businesses and takes the market risk by holding the assets. The Group engages in hedging activities in order to control profit and loss fluctuations. Toward this end, as hedging activities may not properly work under stress circumstances, taking account of financial soundness, business plan/budget subject to hedging activities, and so on, limits are assigned aiming at the estimated loss computed in VaR (maximum loss anticipated at specified confidence level) and various stress tests fall within the Group’s capital. In addition, limits are assigned toward positions, sensitivities, and others.

The trading departments conduct monitoring by calculating positions and sensitivities for the purpose of grasping the market risk. In addition, the risk management department monitors the group-wide market risk condition, and reports to management daily.

B). Overview and the scope of application of Internal Model Approach (hereunder IMA)

IMA is applied to general market risk and includes Daiwa Securities Co. Ltd., overseas subsidiaries and Daiwa Next Bank, Ltd. (trading book). IMA captures the following market risk factors which are “foreign exchange risk”, “interest rate risk”, “equity risk” and “commodity risk”.

The Group applies VaR that implies maximum loss anticipated at a specified confidence level and stress

VaR that implies maximum loss anticipated at a specified confidence level in a given stress timeframe under the IMA. The Group applies the historical simulation method that uses historical market fluctuations as a scenario. Assumptions of the historical simulation model are stated as follows:

	VaR	Stressed VaR
Holding period	10 business days	
Observation period	520 business days	260 business days (Stressed period)
Confidence level	99%	
Historical data updating frequency	Daily	
Historical data weighting	None	
Aggregation approach	By the historical simulation date	
Valuation approach	Basically use full valuation approach, but use sensitivity approach for specific products (ex., Over-the-counter derivatives)	
Methodology of simulating potential movements in risk factors	Use absolute return for general interest, and use relative return for equity and foreign exchange	

(Supplementary explanation)

- VaR is used for internal management to capture a wide range of market risk, which includes equity-specific risks and credit spread risks.
- VaR has been calculated for all 260 business days since April 2, 2007. Take the maximum value of them as the length of the stressed period.
- Since VaR is calculated based on statistical assumptions based on data for a fixed period, stress tests are conducted using scenarios based on both historical and hypothetical stress events.
- In order to test the accuracy of VaR figures, the Group conducts back-testing so as to reconcile VaR against actual profit and loss figures. Over the last 250 business days of the fiscal year ended March 2024, there were no VaR breaches with a confidence level of 99%.
- The Group's internal model receives an internal audit by the internal audit department once a year, and also receives independent verification by an internal third party on a regular basis.
- There is no Incremental Risk Charge (IRC) or Comprehensive risk.

9. Operational risk

A). Risk management policies and procedures

As the Group's business becomes more sophisticated, diversified, and systemized, various risks may potentially be incurred, and thus, the importance of operational risk management is becoming more important year by year. The Group's major group companies engage in the following framework in compliance with operational risk management rules, and adequately manage operational risk. In addition, due to the diversifying nature of its business, the Group also sets rigid rules concerning authority, automates office work processes to reduce human error, prepares business manuals, and takes other necessary measures. Each Group company strives to reduce operational risk according to the nature of its own business.

<Operational Risk Management Framework>

The Group adopts RCSA (Risk Control Self-Assessment) as the framework for operational risk management. RCSA is a process which includes the following components: employees have the obligation to identify, grasp, and evaluate themselves according to operational risk. According to analysis of the frequency and the impact of the risk, they evaluate and verify the effectiveness of risk mitigation measures. RCSA is conducted among major consolidated subsidiaries, and the results are reported at the Group Risk Management Meeting.

B). Methods for the calculation of operational risk amount

The Basic Indicator Approach is used for the calculation of the operational risk amount.

10. Overview of the risk characteristics and the policies, procedures and structure for the exposure of the investments or equities subject to credit risk

A). Structure of recognizing, assessing, measuring and reporting risks

In addition to trading businesses, the Group holds equity exposure associated with investment securities for the purpose of trading business and banking business as well as business relation purposes. Because those financial instruments have distinct risk profiles for each product, the Group conducts adequate credit as well as market risk management including measurement of risk by the profile.

B). Risk management policy of subsidiaries' stock, affiliated companies' stock and other securities

For the consolidated subsidiaries, the scopes of risk management are assets and liabilities. For the affiliated companies, the scopes of risk management are equity exposures. These are subject to risk management in each classification.

C). Accounting policy of valuation of equity exposure

Marketable available-for-sale securities are stated at their fair values based on quoted market consolidated closing prices (the unrealized gain or loss is fully recognized, and the cost of products sold

is mainly pursuant to the moving average method). Non-marketable available-for-sale securities (unlisted stocks, etc.) and partnership investment are carried at cost by the moving average method.

11. Interest rate risk

A). Overview of risk management policies and procedures

In the scope of market risk management, the Group calculates changes in Economic Value of Equity (hereunder EVE) and Net Interest Income (hereunder NII) to reflect the interest rate risk that arises from the non-trading transactions. The result is reported in the group's risk management meeting.

B). Overview of the method for measuring interest rate risk

For financial assets and financial liabilities owned by major subsidiaries and Daiwa Securities Group Inc., based on the shock scenario of interest rate fluctuation assuming certain stress every quarter, the Group computes changes in EVE and NII.

12. 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	4,398,616	4,399,704	
Cash segregated as deposits	544,815	544,815	
Notes and accounts receivable-trade	29,627	29,627	
Short-term investment securities (a)	1,410,877	1,410,877	8, 18, 39, 54, 72, 73
Trading products (b)	7,534,999	7,534,999	16, 18, 39, 54, 72, 73
Trading date accrual	-	-	
Operational investment securities (c)	138,663	138,663	18, 39, 54, 72, 73
Allowance for investment loss (4)	(4)	(4)	
Operating loans	2,722,321	2,722,321	
Work in process	839	839	
Margin transaction assets	158,635	158,635	
Loans secured by securities	12,368,472	12,368,472	
Advances paid	33,633	33,633	
Short-term loans receivable	791	791	
Accrued income	88,460	88,601	
Deferred tax assets (d)	-	-	10, 75
Other current assets	1,018,117	1,018,519	
Allowance for doubtful accounts	(9,554)	(9,554)	
Total current assets	30,439,313	30,440,945	
Noncurrent assets			
Property, plant and equipment	921,181	921,214	
Intangible assets	127,602	127,654	
Goodwill (e)	17,139	17,139	8
Others (f)	110,463	110,515	9
Investments and other assets	539,201	538,830	
Investment securities (g)	492,226	491,820	8, 18, 39, 54, 72, 73
Deferred tax assets (h)	6,825	6,827	10, 75
Others	40,149	40,180	
Total noncurrent assets	1,587,986	1,587,701	
Total deferred charges	-	-	
Total assets	32,027,299	32,028,646	

(Millions of yen)

	Balance sheets as in published statements	Under regulatory scope of consolidation	Cross-referenced to CC1
Liabilities			
Current liabilities			
Notes and accounts payable-trade	8,507	8,507	
Trading products	5,863,821	5,863,821	
Trading date accrual	1,457,301	1,457,301	
Margin transaction liabilities	54,414	54,414	
Loans payable secured by securities	11,698,956	11,698,956	
Deposits from banking business	4,511,603	4,511,603	
Deposits received	562,416	562,423	
Guarantee deposits received	522,809	522,809	
Short-term loans payable	1,272,859	1,273,559	
Commercial paper	440,000	440,000	
Current portion of bonds	159,780	159,780	
Income taxes payable	42,916	42,916	
Deferred tax liabilities	-	-	
Provision for bonuses	43,054	43,054	
Other current liabilities	159,110	159,402	
Noncurrent liabilities			
Bonds payable	1,276,312	1,276,312	
Long-term loans payable	2,020,812	2,020,812	
Deferred tax liabilities	45,616	45,616	
Net defined benefit liabilities	43,715	43,715	
Provision for loss on litigation	235	235	
Negative goodwill	-	-	
Other noncurrent liabilities	48,761	48,899	
Reserves under the special laws	5,637	5,637	
Total liabilities	30,238,640	30,239,778	
Net assets			
Shareholders' equity			
Common stock (i)	247,397	247,397	1a
Capital surplus (j)	232,461	232,461	1a
Retained earnings (k)	961,438	961,375	2
Treasury stock (l)	(123,153)	(123,153)	1c
Advances on subscription of treasury stock (m)	83	83	1c
Total shareholders' equity	1,318,227	1,318,164	
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	52,936	52,936	
Deferred gains or losses on hedges (n)	16,873	16,873	11
Foreign currency translation adjustment	134,149	134,302	
Total accumulated other comprehensive income (o)	203,959	204,112	3
Subscription rights to shares (p)	6,956	6,956	1b
Minority interests (q)	259,515	259,633	34-35, 48-49
Total net assets	1,788,658	1,788,866	

13. Main sources of differences between regulatory exposure amounts and carrying values in financial statements

Please refer to the comments under Quantitative Disclosure (Consolidated), 4. Other quantitative disclosure, LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements.

Quantitative Disclosure (Consolidated)

- 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.

- Credit risk (excluding counterparty credit risk and securitization)

A). Breakdown of exposures by geographical areas, industry and residual maturity

【March 2024】

(Millions of yen)

	Credit risk exposures			
		Loans	Securities	Others
Japan	9,039,475	1,785,510	1,529,257	5,724,707
Overseas	710,916	102,518	123,582	484,815
Total (by area)	9,750,391	1,888,028	1,652,840	6,209,522
Sovereign	5,866,909	1,271,516	1,025,293	3,570,099
Financial institutions	1,248,474	132	72,247	1,176,094
Corporate	932,998	602,231	159,512	171,253
CCPs	37,447	-	-	37,447
Others	1,664,562	14,148	395,786	1,254,627
Total (by industry)	9,750,391	1,888,028	1,652,840	6,209,522
< 1 year	1,666,948	1,458,271	162,725	45,951
> 1 year ≤ 3 years	219,658	450	216,551	2,656
> 3 years ≤ 5 years	234,109	1	232,889	1,219
> 5 years ≤ 7 years	130,521	-	128,865	1,655
> 7 years	483,840	-	461,510	22,329
Indeterminate	7,015,313	429,306	450,296	6,135,710
Total (by maturity)	9,750,391	1,888,028	1,652,840	6,209,522

B). Amounts of impaired exposures (according to the definition used by the Group for accounting purposes) and related allowances and write-offs, broken down by geographical areas and industry (under the provision of Article 183 Paragraph 1(i)-(iv) of the Notification)

(Millions of yen)

	March 2024		
	Term-end balance	Term-end allowance	Write-offs for the year
Japan	56,510	2,803	-
Overseas	152	-	-
Total (by area)	56,663	2,803	-
Sovereign	-	-	-
Financial institutions	49	-	-
Corporate	56,613	2,803	-
Others	-	-	-
Total (by industry)	56,663	2,803	-

C). Aging analysis of accounting past-due exposures

(Millions of yen)

	Past due exposures				
		< 1 month	≥ 1 month < 2 months	≥ 2 months < 3 months	≥ 3 months
Japan	53,733	25	-	-	53,708
Overseas	161	-	-	-	161
Total (by area)	53,895	25	-	-	53,869
Sovereign	0	-	-	-	0
Financial institutions	49	-	-	-	49
Corporate	53,845	25	-	-	53,819
CCPs	-	-	-	-	-
Others	-	-	-	-	-
Total (by industry)	53,895	25	-	-	53,869

D). Breakdown of restructured exposures between impaired and not impaired exposures

Not applicable.

3. Amount of exposure by approaches for banks' equity investments in funds

(Millions of yen)

	Exposures
Equity investments in funds (look-through approach)	543,602
Equity investments in funds (mandate-based approach)	35,267
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)	12
Total	578,883

4. Other quantitative disclosures

OV1: Overview of RWA

(Millions of yen)

Basel III template number		RWA		Minimum capital requirements	
		March 2024	March 2023	March 2024	March 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	2,381,958	2,223,767	190,556	177,901
2	Of which standardized approach (SA)	1,230,042	1,077,105	98,403	86,168
3	Of which internal rating-based (IRB) approach	-	-	-	-
	Of which significant investments	-	-	-	-
	Of which exposures for estimated residual value of lease	-	-	-	-
	Others	1,151,915	1,146,661	92,153	91,732
4	Counterparty credit risk	1,467,509	1,280,374	117,400	102,429
5	Of which standardized approach for counterparty credit risk (SA-CCR)	501,306	470,396	40,104	37,631
6	Of which internal model method (IMM)	-	-	-	-
	Of which credit valuation adjustment (CVA) risk	517,561	470,559	41,404	37,644
	Of which exposures to central counterparties (CCPs)	30,878	45,942	2,470	3,675
	Others	417,762	293,476	33,421	23,478
7	Equity positions under market-based approach	-	-	-	-
8	Equity investments in funds (look-through approach)	305,572	350,430	24,445	28,034
9	Equity investments in funds (mandate-based approach)	58,591	29,676	4,687	2,374
	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)	161	6,906	12	552
11	Settlement risk	23	20	1	1
12	Securitization exposures in banking book	218,562	165,829	17,485	13,266
13	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-
14	Of which external ratings-based approach (SEC-ERBA)	183,406	165,829	14,672	13,266
15	Of which standardized approach (SEC-SA)	-	-	-	-
	Of which 1250% risk weight applied	35,156	-	2,812	-
16	Market risk	1,212,258	1,444,475	96,980	115,558
17	Of which standardized approach (SA)	806,970	787,799	64,557	63,023
18	Of which internal model approaches (IMM)	405,288	656,675	32,423	52,534
19	Operational risk	1,183,218	1,058,630	94,657	84,690
20	Of which basic indicator approach	1,183,218	1,058,630	94,657	84,690
21	Of which standardized approach	-	-	-	-
22	Of which advanced measurement approach	-	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	259,613	248,592	20,769	19,887
	Amounts included in risk weighted asset due to transitional arrangements	-	-	-	-
24	Floor adjustment	-	-	-	-
25	Total	7,087,470	6,808,704	566,997	544,696

(Millions of yen)

Basel III template number		RWA		Minimum capital requirements	
		March 2024	December 2023	March 2024	December 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	2,381,958	2,366,320	190,556	189,305
2	Of which standardized approach (SA)	1,230,042	1,209,450	98,403	96,756
3	Of which internal rating-based (IRB) approach	-	-	-	-
	Of which significant investments	-	-	-	-
	Of which exposures for estimated residual value of lease	-	-	-	-
	Others	1,151,915	1,156,870	92,153	92,549
4	Counterparty credit risk	1,467,509	1,339,223	117,400	107,137
5	Of which standardized approach for counterparty credit risk (SA-CCR)	501,306	439,400	40,104	35,152
6	Of which internal model method (IMM)	-	-	-	-
	Of which credit valuation adjustment (CVA) risk	517,561	467,060	41,404	37,364
	Of which exposures to central counterparties (CCPs)	30,878	31,108	2,470	2,488
	Others	417,762	401,653	33,421	32,132
7	Equity positions under market-based approach	-	-	-	-
8	Equity investments in funds (look-through approach)	305,572	300,111	24,445	24,008
9	Equity investments in funds (mandate-based approach)	58,591	60,098	4,687	4,807
	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)	161	8,393	12	671
11	Settlement risk	23	787	1	62
12	Securitization exposures in banking book	218,562	176,800	17,485	14,144
13	Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-
14	Of which external ratings-based approach (SEC-ERBA)	183,406	176,800	14,672	14,144
15	Of which standardized approach (SEC-SA)	-	-	-	-
	Of which 1250% risk weight applied	35,156	-	2,812	-
16	Market risk	1,212,258	1,084,345	96,980	86,747
17	Of which standardized approach (SA)	806,970	750,983	64,557	60,078
18	Of which internal model approaches (IMM)	405,288	333,362	32,423	26,669
19	Operational risk	1,183,218	1,105,187	94,657	88,415
20	Of which basic indicator approach	1,183,218	1,105,187	94,657	88,415
21	Of which standardized approach	-	-	-	-
22	Of which advanced measurement approach	-	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	259,613	250,546	20,769	20,043
	Amounts included in risk weighted asset due to transitional arrangements	-	-	-	-
24	Floor adjustment	-	-	-	-
25	Total	7,087,470	6,691,815	566,997	535,345

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

(Millions of yen)

	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:					
			Subject to credit risk framework ¹	Subject to counterparty credit risk framework	Subject to the securitization framework ²	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital	
Assets								
1	Cash and deposits	4,398,616	4,399,704	4,399,705	-	-	381,093	-
2	Cash segregated as deposits	544,815	544,815	544,815	-	-	26,294	-
3	Notes and accounts receivable-trade	29,627	29,627	29,627	-	-	122	-
4	Short-term investment securities	1,410,877	1,410,877	1,317,826	-	93,051	808,937	-
5	Trading products	7,534,999	7,534,999	-	2,628,568	-	7,536,410	(1,411)
6	Trading date accrual	-	-	-	4,147	-	2,352	14,447
7	Operational investment securities	138,663	138,663	128,544	-	-	90,789	-
8	Allowance for investment loss	(4)	(4)	(4)	-	-	-	-
9	Operating loans	2,722,321	2,722,321	1,907,442	-	814,656	685,667	-
10	Work in process	839	839	839	-	-	-	-
11	Margin transaction assets	158,635	158,635	-	158,635	-	-	-
12	Loans secured by securities	12,368,472	12,368,472	-	13,402,521	-	5,620,835	-
13	Advances paid	33,633	33,633	33,683	-	-	170	-
14	Short-term loans receivable	791	791	791	-	-	1,607	-
15	Accrued income	88,460	88,601	83,350	-	-	36,350	-
16	Deferred tax assets	-	-	-	-	-	-	-
17	Other current assets	1,018,117	1,018,519	762,123	84,230	-	146,186	19,383
18	Allowance for doubtful accounts	(9,554)	(9,554)	(9,409)	-	-	(331)	-
19	Total current assets	30,439,313	30,440,945	9,199,335	16,278,102	907,708	15,336,486	32,419
20	Property, plant and equipment	921,181	921,214	921,215	-	-	20,432	-
21	Intangible assets	127,602	127,654	-	-	-	7,650	127,655
22	Goodwill	17,139	17,139	-	-	-	2,523	17,139
23	Others	110,463	110,515	-	-	-	5,126	110,515
24	Investments and other assets	539,201	538,830	518,501	629	-	151,476	2
25	Investment securities	492,226	491,820	471,173	-	-	81,800	-
26	Deferred tax assets	6,825	6,827	6,825	-	-	3,761	2
27	Others	40,149	40,180	40,502	629	-	65,914	-
28	Total noncurrent assets	1,587,986	1,587,701	1,439,717	629	-	179,559	127,658
29	Total deferred assets	-	-	-	-	-	-	-
30	Total assets	32,027,299	32,028,646	10,639,052	16,278,732	907,708	15,516,045	160,077

¹ Amount of "Subject to credit risk framework" excludes amounts of "Subject to counterparty credit risk framework" and "Subject to the securitization framework".

² Amount of "Subject to the securitization framework" excludes amount of "Subject to the market risk framework".

(Millions of yen)

		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
				Subject to credit risk framework ¹	Subject to counterparty credit risk framework	Subject to the securitization framework ²	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
	Liabilities							
31	Notes and accounts payable-trade	8,507	8,507	-	-	-	-	8,507
32	Trading products	5,863,821	5,863,821	-	2,479,420	-	5,863,821	-
33	Trading date accrual	1,457,301	1,457,301	-	-	-	474,227	-
34	Margin transaction liabilities	54,414	54,414	-	54,414	-	-	-
35	Loans payable secured by securities	11,698,956	11,698,956	-	12,733,005	-	7,673,968	-
36	Deposits from banking business	4,511,603	4,511,603	-	-	-	-	4,511,603
37	Deposits received	562,416	562,423	-	-	-	55,035	562,424
38	Guarantee deposits received	522,809	522,809	-	5,912	-	223	522,809
39	Short-term loans payable	1,272,859	1,273,559	-	-	-	162,786	1,273,559
40	Commercial paper	440,000	440,000	-	-	-	-	440,000
41	Current portion of bonds	159,780	159,780	-	-	-	-	159,780
42	Income taxes payable	42,916	42,916	-	-	-	817	42,916
43	Deferred tax liabilities	-	-	-	-	-	-	-
44	Provision for bonuses	43,054	43,054	-	-	-	19,902	43,054
45	Other current liabilities	159,110	159,402	955	25,369	-	92,657	128,189
46	Bonds payable	1,276,312	1,276,312	-	-	-	260	1,276,312
47	Long-term loans payable	2,020,812	2,020,812	-	-	-	-	2,020,812
48	Deferred tax liabilities	45,616	45,616	-	-	-	12	45,445
49	Net defined benefit liabilities	43,715	43,715	-	-	-	-	43,715
50	Provision for loss on litigation	235	235	-	-	-	-	235
51	Negative goodwill	-	-	-	-	-	-	-
52	Other noncurrent liabilities	48,761	48,899	-	62	-	10,305	39,736
53	Reserves under the special laws	5,637	5,637	-	-	-	-	5,637
54	Total liabilities	30,238,640	30,239,778	955	15,298,184	-	14,354,019	11,124,739

1 Amount of "Subject to credit risk framework" excludes amounts of "Subject to counterparty credit risk framework" and "Subject to the securitization framework".

2 Amount of "Subject to the securitization framework" excludes amount of "Subject to the market risk framework".

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

(Millions of yen)

		Total	Items subject to:			
			Credit risk framework ¹	Counterparty credit risk framework	Securitization framework ²	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	31,868,568	10,639,052	16,278,732	907,708	15,516,045
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	19,115,040	955	15,298,184	-	14,354,019
3	Total net amount under regulatory scope of consolidation	12,753,528	10,638,097	980,547	907,708	1,162,026
4	Off-balance sheet amounts	1,094,663	67,644	1,027,019	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Differences due to application of CEM	4,118,152	-	4,118,152	-	-
10	Differences due to netting and CRM for SFTs	25,399,781	-	25,399,781	-	-
11	Other differences	(27,662,221)	(500,452)	(28,117,074)	20,454	-
12	Exposure amounts considered for regulatory purposes	15,703,904	10,205,289	3,408,426	928,163	1,162,026

1 Amount of "Subject to credit risk framework" excludes amounts of "Subject to counterparty credit risk framework" and "Subject to securitization framework".

2 Amount of "Subject to securitization framework" excludes amount of "Subject to market risk framework".

(Note) Differences are mainly due to the following:

- Exposure of derivatives in the trading book is included in both counterparty credit risk and market risk after netting under certain conditions.
- Exposure of SFT assets is computed after netting with SFT liabilities under certain conditions.
- Some off-balance sheet items are included in credit risk.

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	29,851	1,869,475	11,298	1,888,028
2	Debt securities	-	1,226,149	-	1,226,149
3	Other on-balance sheet assets (debt products)	26,821	4,564,281	817	4,590,286
4	Sub-total on-balance sheet assets (1+2+3)	56,673	7,659,906	12,115	7,704,464
	Off-balance sheet assets				
5	Acceptances and guarantees	-	51,492	-	51,492
6	Commitments	-	-	-	-
7	Sub-total off-balance sheet assets (5+6)	-	51,492	-	51,492
	Total				
8	Total (4+7)	56,673	7,711,399	12,115	7,755,956

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: September 2023 Current reporting period end: March 2024	Amounts
1	Defaulted loans and debt securities at end of previous reporting period	33,760
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Changes in loans and debt securities during the reporting period	-
4	Returned to non-defaulted status	-
5	Amounts written off	-
6	Other changes ¹	22,912
6	Defaulted loans and debt securities at end of reporting period (1+2-3-4+5)	56,673

* 1 Other changes include a increase due to additional credit during the default period.

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	1,329,132	558,896	295,836	263,060	-
2	Debt securities	1,126,639	99,509	-	99,509	-
3	Other on-balance sheet assets (debt products)	4,590,278	7	7	-	-
4	Total (1+2+3)	7,046,050	658,413	295,844	362,569	-
5	Of which defaulted	53,869	-	-	-	-

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

(Millions of yen , %)

	Asset classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA	RWA density
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	-	-	-	-	-	-
2	Japanese government and central bank	4,665,474	-	4,665,474	-	-	0.00%
3	Non-Japanese sovereign and central bank	442,520	-	442,520	-	13	0.00%
4	Bank for International Settlements (BIS)	-	-	-	-	-	-
5	Japanese local public authorities	61,756	-	61,756	-	-	0.00%
6	Non-Japanese public sector entities (excluding sovereign)	3,600	-	3,600	-	756	21.01%
7	Multilateral Development Banks (MDBs)	7,244	-	7,244	-	-	0.00%
8	Japan Finance Organization for Municipalities (JFM)	16,779	-	16,779	-	3,343	19.93%
9	Japanese government-sponsored entities	669,531	-	669,531	-	32,574	4.87%
10	Three major local public corporations of Japan	1	-	1	-	0	20.00%
11	Financial institutions and securities firms	1,249,513	7,570	1,249,513	7,570	264,697	21.06%
12	Corporates	863,231	19,974	567,387	19,974	516,469	87.93%
13	SMEs and individuals (risk weight 75% applied)	-	-	-	-	-	-
14	Residential mortgage loans	-	-	-	-	-	-
15	Projects including acquisition of real estate properties	14,149	7,987	14,149	7,987	22,137	100.00%
16	Past due exposures for three months or more(excluding residential mortgage loans)	53,869	-	53,869	-	80,804	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)	299,221	19,499	299,221	9,749	309,246	100.09%
22	Total	8,346,894	55,032	8,051,050	45,282	1,230,042	15.19%

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

(Millions of yen)

	Risk weight	Credit risk exposures (post-CCF and post-CRM)					
		0%	10%	20%	35%	50%	75%
Asset classes							
1	Cash	-	-	-	-	-	-
2	Japanese government and central bank	4,665,474	-	-	-	-	-
3	Non-Japanese sovereign and central bank	442,492	-	6	-	18	-
4	Bank for International Settlements (BIS)	-	-	-	-	-	-
5	Japanese local public authorities	61,756	-	-	-	-	-
6	Non-Japanese public sector entities (excluding sovereign)	-	-	3,554	-	-	-
7	Multilateral Development Banks (MDBs)	7,244	-	-	-	-	-
8	Japan Finance Organization for Municipalities (JFM)	-	123	16,655	-	-	-
9	Japanese government-sponsored entities	362,569	288,182	18,779	-	-	-
10	Three major local public corporations of Japan	-	-	1	-	-	-
11	Financial institutions and securities firms	-	-	1,233,961	-	10,434	-
12	Corporates	-	-	38,989	-	79,401	-
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)	-	-	-	-	0	-
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	5,539,537	288,306	1,311,949	-	89,854	-

(Millions of yen)

	Risk weight	Credit risk exposures (post-CCF and post-CRM)				
		100%	150%	250%	1250%	Total
Asset classes						
1	Cash	-	-	-	-	-
2	Japanese government and central bank	-	-	-	-	4,665,474
3	Non-Japanese sovereign and central bank	2	-	-	-	442,520
4	Bank for International Settlements (BIS)	-	-	-	-	-
5	Japanese local public authorities	-	-	-	-	61,756
6	Non-Japanese public sector entities (excluding sovereign)	45	-	-	-	3,600
7	Multilateral Development Banks (MDBs)	-	-	-	-	7,244
8	Japan Finance Organization for Municipalities (JFM)	-	-	-	-	16,779
9	Japanese government-sponsored entities	-	-	-	-	669,531
10	Three major local public corporations of Japan	-	-	-	-	1
11	Financial institutions and securities firms	12,687	-	-	-	1,257,083
12	Corporates	468,970	-	-	-	587,362
13	SMEs and individuals (risk weight 75% applied)	-	-	-	-	-
14	Residential mortgage loans	-	-	-	-	-
15	Projects including acquisition of real estate properties	22,137	-	-	-	22,137
16	Past due exposures for three months or more(excluding residential mortgage loans)	-	53,869	-	-	53,869
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)	308,948	-	-	23	308,971
22	Total	812,791	53,869	-	23	8,096,332

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)	270,124	308,262		1.4	809,741	501,306
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)					1,621,763	417,762
5	VaR for SFTs					-	-
6	Total						919,069

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	720,650	517,561
5	Total subject to the CVA capital charge	720,650	517,561

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

(Millions of yen)

		EAD (post-CRM)		
		0%	10%	20%
	Risk weight			
	Regulatory portfolio			
1	Japanese government and central bank	935,395	-	-
2	Non-Japanese sovereign and central bank	14,437	-	8,984
3	Bank for International Settlements (BIS)	34,711	-	-
4	Japanese local public authorities	1,458	-	-
5	Non-Japanese public sector entities (excluding sovereign)	-	-	58,997
6	Multilateral Development Banks (MDBs)	12,643	-	-
7	Japan Finance Organization for Municipalities (JFM)	-	-	2,919
8	Japanese government-sponsored entities	-	16,639	11,994
9	Three major local public corporations of Japan	-	-	-
10	Financial institutions and securities firms	-	-	495,225
11	Corporates	-	-	14,816
12	SMEs and individuals (risk weight 75% applied)	-	-	-
13	Other assets	-	-	-
14	Total	998,646	16,639	592,939

(Millions of yen)

		EAD (post-CRM)		
		50%	75%	100%
	Risk weight			
	Regulatory portfolio			
1	Japanese government and central bank	-	-	-
2	Non-Japanese sovereign and central bank	304	-	-
3	Bank for International Settlements (BIS)	-	-	-
4	Japanese local public authorities	-	-	-
5	Non-Japanese public sector entities (excluding sovereign)	1,326	-	-
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	5,244	-	-
11	Corporates	43,224	-	772,007
12	SMEs and individuals (risk weight 75% applied)	-	-	-
13	Other assets	-	-	-
14	Total	50,099	-	772,007

(Millions of yen)

	Regulatory portfolio	EAD (post-CRM)		
		Risk weight	150%	Others
1	Japanese government and central bank	-	-	935,395
2	Non-Japanese sovereign and central bank	-	-	23,727
3	Bank for International Settlements (BIS)	-	-	34,711
4	Japanese local public authorities	-	-	1,458
5	Non-Japanese public sector entities (excluding sovereign)	-	-	60,324
6	Multilateral Development Banks (MDBs)	-	-	12,643
7	Japan Finance Organization for Municipalities (JFM)	-	-	2,919
8	Japanese government-sponsored entities	-	-	28,633
9	Three major local public corporations of Japan	-	-	-
10	Financial institutions and securities firms	-	-	500,469
11	Corporates	1,173	-	831,222
12	SMEs and individuals (risk weight 75% applied)	-	-	-
13	Other assets	-	-	-
14	Total	1,173	-	2,431,505

CCR5: Composition of collateral for CCR exposure

(Millions of yen)

	Collateral used in derivative transactions	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	37,957	298,906		
2	Cash - other currencies	6,692	82,244	11,476	15,530	8,281,068	6,823,174
3	Domestic sovereign debt	16,220	15,094	19,827	-	5,389,448	4,530,034
4	Other sovereign debt	15,442	-	-	-	6,231,946	6,219,670
5	Government agency debt	1,327	-	-	-	937,299	2,396,643
6	Corporate bonds	62,098	-	-	-	55,820	245,374
7	Equity securities	23,793	-	-	14,556	644,552	424,782
8	Other collateral	1,859	-	-	-	21,668	1,384,042
9	Total	165,393	396,246	70,541	463,897	27,049,990	28,813,736

* 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	595,972	898,118
2	Index credit default swaps	2,609,770	2,520,574
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	Total notionals	3,205,742	3,418,693
	Fair values		
7	Positive fair value (asset)	2,078	59,722
8	Negative fair value (liability)	(57,576)	(4,120)

CCR8: Exposures to central counterparties

(Millions of yen)

		EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)		30,878
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	862,283	17,174
3	(i) OTC derivatives	290,650	5,813
4	(ii) Exchange-traded derivatives	263,227	5,264
5	(iii) Securities financing transactions	308,406	6,096
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	66,949	
8	Non-segregated initial margin	20,064	401
9	Pre-funded default fund contributions	27,622	13,302
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	339,014	-	339,014
2	residential mortgage	164,496	-	164,496
3	credit card	-	-	-
4	other retail exposures	174,517	-	174,517
5	re-securitization	-	-	-
6	Wholesale (total) - of which	589,148	-	589,148
7	loans to corporates	575,901	-	575,901
8	commercial mortgage	-	-	-
9	lease and receivables	13,247	-	13,247
10	other wholesale	-	-	-
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	646	-	646
2	residential mortgage	646	-	646
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	-	-	-
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	-	-	-

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	925,350	925,350	925,350	336,201	589,148
2	>20% to 50% RW	-	-	-	-	-
3	>50% to 100% RW	-	-	-	-	-
4	>100% to <1250% RW	-	-	-	-	-
5	1250% RW	2,812	2,812	2,812	2,812	-
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)	925,350	925,350	925,350	336,201	589,148
8	Of which standardized approach (SEC-SA)	-	-	-	-	-
9	Of which 1250% risk weight applied	2,812	2,812	2,812	2,812	-
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)	183,406	183,406	183,406	65,602	117,803
12	Of which standardized approach (SEC-SA)	-	-	-	-	-
13	Of which 1250% risk weight applied	35,156	35,156	35,156	35,156	-
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)	14,672	14,672	14,672	5,248	9,424
16	Of which standardized approach (SEC-SA)	-	-	-	-	-
17	Of which 1250% risk weight applied	2,812	2,812	2,812	2,812	-

(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 underlying	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)	522,605
2	Equity risk (general and specific)	77,638
3	Foreign exchange risk	201,943
4	Commodity risk	597
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitization	4,185
9	Total	806,970

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 end of previous year	168,932	487,742	-	-		656,675
1b	Adjustments to RWA based on the regulatory consolidated capital at end of previous year	4.14	3.69	-	-		3.80
1c	Amounts of IMA at end of previous year	40,728	132,018	-	-		172,747
2	Change in reporting period	Movement in risk levels	10,479	(59,014)	-	-	(48,534)
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	51,207	73,004	-	-		124,212
8b	Adjustments to RWA based on the regulatory consolidated capital at end of reporting period	2.36	3.89	-	-		3.26
8c	RWA at end of reporting period	121,090	284,197	-	-		405,288

(Millions of yen)

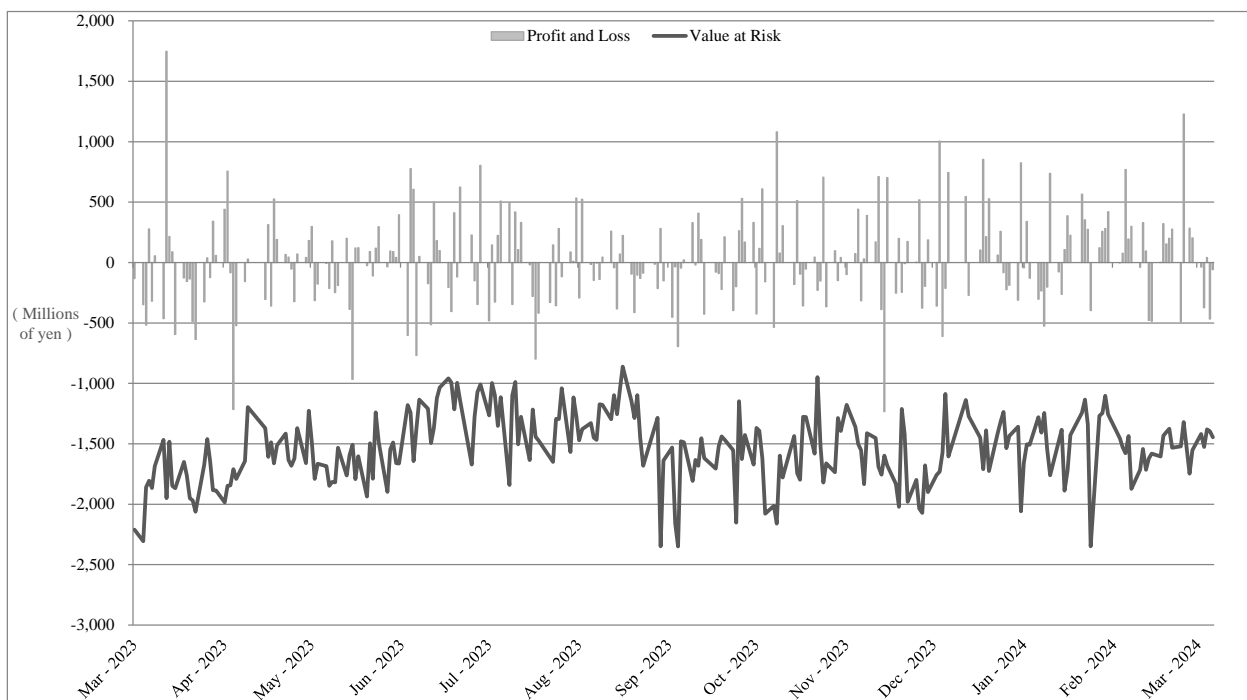
		VaR	Stressed VaR	IRC	CRM	Other	Total RWA	
1a	RWA at previous quarter-end	131,173	202,189	-	-		333,362	
1b	Adjustments to RWA based on the regulatory consolidated capital at previous quarter-end	4.22	2.50	-	-		2.98	
1c	Amounts of IMA at previous quarter-end	31,054	80,753	-	-		111,808	
2	Change in reporting period	Movement in risk levels	20,153	(7,749)	-	-		12,404
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	51,207	73,004	-	-		124,212	
8b	Adjustments to RWA based on the regulatory consolidated capital at end of reporting period	2.36	3.89	-	-		3.26	
8c	RWA at end of reporting period	121,090	284,197	-	-		405,288	

MR3:IMA values for trading portfolios

(Millions of yen)

	VaR (10 day 99%)	
1	Maximum value	5,220
2	Average value	2,836
3	Minimum value	1,294
4	Period end	4,075
	Stressed VaR (10 day 99%)	
5	Maximum value	12,214
6	Average value	6,779
7	Minimum value	1,376
8	Period end	5,754
	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	
		March 2024	March 2023
1	Parallel up	13,703	8,343
2	Parallel down	24,556	20,114
3	Steepener	9,257	10,375
4	Flattener	530	454
5	Short rate up	4,219	1,033
6	Short rate down	14,431	13,420
7	Maximum	24,556	20,114
		March 2024	March 2023
8	Tier 1 capital	1,520,820	1,429,860

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.

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
Australia	1.00%	54,307		
France	1.00%	606		
Germany	0.75%	0		
Hong Kong SAR	1.00%	9,702		
Luxembourg	0.50%	31,716		
Netherlands	1.00%	27,250		
Sweden	2.00%	3		
United Kingdom	2.00%	102,210		
Sum		225,798		
Total		3,579,156	0.08%	6,181

* 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 the ultimate risk method, we adopt the jurisdictions which are recorded in the 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	March 2024	March 2023
On-balance sheet exposures			(1)	
1		On-balance sheet items before adjustments	13,213,263	12,575,527
1a	1	Total assets in the consolidated balance sheet	28,483,230	23,326,212
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)	1,347	1,275
1d	3	Assets other than the adjustments that are excluded from the total assets in the consolidated balance sheet	15,271,314	10,751,960
2	7	Tier 1 capital: regulatory adjustments	161,564	156,204
3		Total on-balance sheet exposures (excluding derivatives and SFTs) (A)	13,051,699	12,419,323
Derivative exposures			(2)	
4		Replacement cost associated with all derivatives transactions (with the 1.4 alpha factor applied)	907,812	810,369
5		Add-on amounts for PFE associated with all derivatives transactions (with the 1.4 alpha factor applied)	605,842	835,622
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	103,733	26,952
8		Exempted CCP leg of client-cleared trade exposures		
9		Adjusted effective notional amount of written credit derivatives	3,418,693	2,386,360
10		Adjusted effective notional offsets and add-on deductions for written credit derivatives	3,020,666	1,974,603
11	4	Total derivative exposures (B)	1,807,948	2,030,796
Securities financing transaction exposures			(3)	
12		Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	13,719,164	10,031,640
13		Netted amounts of cash payables and cash receivables of gross SFT assets	4,431,088	2,564,118
14		CCR exposure for SFT assets	196,262	170,862
15		Agent transaction exposures		
16	5	Total securities financing transaction exposures (C)	9,484,338	7,638,384
Other off-balance sheet exposures			(4)	
17		Off-balance sheet exposure at gross notional amount	165,623	152,809
18		Adjustments for conversion to credit equivalent amounts	47,852	46,086
19	6	Off-balance sheet items (D)	117,771	106,723
Capital and total exposures			(5)	
20		Tier 1 capital (E)	1,520,820	1,429,859
21	8	Total exposures (A)+(B)+(C)+(D) (F)	24,461,756	22,195,226
22		Leverage ratio on a consolidated basis (E) / (F)	6.21%	6.44%
		National minimum leverage ratio requirement	3.00%	-
		Applicable leverage buffers	-	-
Leverage ratio (including amount of the central bank reserves)			(6)	
		Total exposures (F)	24,461,756	22,195,226
		Amount of the central bank reserves	3,544,069	3,087,036
		Total exposures (including amount of the central bank reserves) (F')	28,005,825	25,282,262
		Leverage ratio (including amount of the central bank reserves) (E) / (F')	5.43%	5.65%

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

CCA: 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	Daiwa Securities Group Inc.
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	1,283,131 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 and redemption amount	—
	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)	Perpetual Subordinated Bonds
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	43 million Yen	56 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	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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	70 million Yen	123 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	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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 issued in July 2011
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	174 million Yen	276 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	July 1, 2011
12	Perpetual or dated	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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 issued in February 2014
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	340 million Yen	293 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	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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	335 million Yen	563 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	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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	348 million Yen	238 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	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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	375 million Yen	496 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	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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	409 million Yen	590 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	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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	407 million Yen	436 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	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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 17	Stock subscription right series 18
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	444 million Yen	262 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 17, 2020	August 13, 2021
12	Perpetual or dated	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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 19	Stock subscription right series 20
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	376 million Yen	292 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 15, 2022	August 15, 2023
12	Perpetual or dated	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Office Investment Corporation	Samty Residential Investment Corporation
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	Additional Tier 1 capital Tier 2 capital	Additional Tier 1 capital Tier 2 capital
5	Post-transitional Basel III rules	Additional Tier 1 capital Tier 2 capital	Additional Tier 1 capital Tier 2 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)	Common stock	Common stock
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	Additional Tier 1 capital 30,517 million Yen Tier 2 capital 7,180 million Yen	Additional Tier 1 capital 9,380 million Yen Tier 2 capital 2,207 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated balance sheets	Non-controlling interest	Non-controlling interest
11	Original date of issuance	—	—
12	Perpetual or dated	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date and redemption amount	—	—
	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)	Perpetual Subordinated Bonds	Perpetual Subordinated Bonds
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)	JP350220AL30	JP350220BL39
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	Additional Tier 1 capital	Additional Tier 1 capital
5	Post-transitional Basel III rules	Additional Tier 1 capital	Additional 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)	Daiwa Securities Group Inc. first series of unsecured perpetual subordinated bonds with optional-redemption clause and write-down clause	Daiwa Securities Group Inc. second series of unsecured perpetual subordinated bonds with optional-redemption clause and write-down clause
8	Amount recognized in regulatory capital (Currency in millions, as of the most recent reporting date)		
	Consolidated Capital Adequacy Ratio	124,900 million Yen	25,000 million Yen
9	Par value of instrument	125,000 million Yen	25,000 million Yen
10	Accounting classification		
	Consolidated balance sheets	Liabilities	Liabilities
11	Original date of issuance	March 16, 2020	March 16, 2020
12	Perpetual or dated	NA	NA
13	Original maturity date	—	—
14	Issuer call subject to prior supervisory approval	YES	YES
15	Optional call date and redemption amount	June 5, 2025 at par	June 5, 2030 at par
	Contingent call dates and redemption amount	Tax event or Regulatory event at par	Tax event or Regulatory event at par
16	Subsequent call dates, if applicable	Each interest payment date after first call date	Each interest payment date after first call date
Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and any related index	From the day immediately following March 16, 2020 until June 5, 2025 : 1.20% per annum From the day immediately following June 5, 2025 : 6-month euro-yen LIBOR + 1.40%	From the day immediately following March 16, 2020 until June 5, 2030 : 1.39% per annum From the day immediately following June 5, 2030 : 6-month euro-yen LIBOR + 1.50%
19	Existence of a dividend stopper	YES	YES
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	YES	YES
31	If write-down, write-down trigger(s)	Events(1), (2) or (3) below: (1)When the Company's consolidated Common Equity Tier1 capital ratio falls below 5.125%. (2)When the principal amount of and interest on the bonds shall be written down to zero when it is confirmed that the "specified item 2 measures". (3)When the Company becomes subject to bankruptcy and other insolvency proceedings.	Events(1), (2) or (3) below: (1)When the Company's consolidated Common Equity Tier1 capital ratio falls below 5.125%. (2)When the principal amount of and interest on the bonds shall be written down to zero when it is confirmed that the "specified item 2 measures". (3)When the Company becomes subject to bankruptcy and other insolvency proceedings.
32	If write-down, full or partial	Full or Partial	Full or Partial
33	If write-down, permanent or temporary	Temporary	Temporary
34	If temporary write-down, description of write-up mechanism	When the Company determines that the principal amount of the bonds that have been written-down be reinstated after prior confirmation of the Financial Services Agency of Japan and any other relevant Japanese governmental organizations that the Company's consolidated Common Equity Tier1 capital ratio remains at a sufficiently high level immediately after giving effect to the relevant reinstatement of the bonds.	When the Company determines that the principal amount of the bonds that have been written-down be reinstated after prior confirmation of the Financial Services Agency of Japan and any other relevant Japanese governmental organizations that the Company's consolidated Common Equity Tier1 capital ratio remains at a sufficiently high level immediately after giving effect to the relevant reinstatement of the bonds.
34a	Type of subordination	Contractual	Contractual
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	—	—