May 31, 2013

Daiwa Securities Group Inc.

Report Regarding Situation of Soundness in Management as of March 31, 2013

In accordance with the Financial Instruments and the Exchange Act Article 57-17, "Notification, etc. of Documents Describing Status of Soundness in Management", Daiwa Securities Group Inc. reports situation of soundness in management as of March 31, 2013.

Composition of capital disclosure

(Unit: 1 Million Yen, %)

Items		Exclusion under transitional arrangements	Basel III template number
Common Equity Tier 1 capital:instruments and reserves			
Shareholder's Equity	847,123		1a+2-1c-26
Common stock and capital surplus	478,073		1a
Retained earnings	408,647		2
Treasury stock (△)	19,212		1c
Planned distributions (△)	20,385		26
Others	-		
Stock subscription rights	6,387		1b
Accumulated other comprehensive income (and other reserves)	-	44,264	3
Minority interest after adjustments	-		5
Common Equity Tier 1 capital under transitional Basel III rules	71,595		
Minority interest	71,595		
Common Equity Tier 1 capital before regulatory adjustments (a)	925,106		6
Common Equity Tier 1 capital: regulatory adjustments			
Intangible assets other than mortgage-servicing rights (net of related tax liability)	-	84,439	8+9
Goodwill (net of related tax liability)	-	15,465	8
Other intangibles other than mortgage-servicing rights(net of related tax liability)	-	68,974	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	3,369	10
Cash-flow hedge reserve	-	△20	11
Shortfall of allowance to expected losses	-	-	12
Securitization gain on sale (as set out in paragraph 562 of Basel II framework)	-	-	13
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	14
Defined-benefit pension fund net assets	-	-	15
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	893	16
Reciprocal cross-holdings in common equity	-	-	17
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)	-	29,335	18
Amount exceeding the 10% threshold	-	-	19+20+21
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)	-	-	19
Mortgage servicing rights (amount above 10% threshold)	-	-	20
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	21
Amount exceeding the 15% threshold	-	-	22
of which: significant investments in the common stock of financials	-	-	23
of which: mortgage servicing rights	-	-	24
of which: deferred tax assets arising from temporary differences	-	-	25
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	20,336		27
Total regulatory adjustments to Common equity Tier 1 (b)	20,336		28
Common Equity Tier 1 capital			
Common Equity Tier 1 capital (CET1) ((a) - (b)) (c)	904,770		29

(Unit: 1 Million Yen, %)

Items		Exclusion under transitional arrangements	Basel III template number
Additional Tier 1 capital:instruments			
Shareholder's Equity	-		31a, 30
Stock subscription rights	-		31b, 30
Liabilities	-		32, 30
Instruments issued by Special Purpose Companies	-		30
Minority interest after adjustments	10,838		34-35
Tier 1 capital under Basel II included in Additional Tier 1 capital under transitional Basel III rules	-		33+35
Capital instruments issued by Daiwa Securities Group Inc. and its Special Purpose Companies	-		33
Capital instruments issued by consolidated subsidiaries and affiliates (excluding Special Purpose companies of Daiwa Securities Group Inc.)	-		35
Additional Tier 1 capital under transitional Basel III rules	△15,709		
Minority interest	-		
Foreign currency translation adjustment	△15,709		
Additional Tier 1 capital before regulatory adjustments (d)	△4,871		36
Additional Tier 1 capital: regulatory adjustments			
Investments in own Additional Tier 1 instruments	-	-	37
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	38
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)	-	2,380	39
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	73	40
Regulatory adjustments of additional Tier 1 capital under transitional Basel III rules	15,465		
Goodwill (net of related tax liability)	15,465		
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		42
Total regulatory adjustments to Additional Tier 1 capital (e)	15,465		43
Additional Tier 1 capital			
Additional Tier 1 capital (AT1) ((d) - (e)) (f)	-		44
Tier 1 capital			
Tier 1 capital (T1 = CET1 + AT1) ((c) + (f)) (g)	904,770		45
Tier 2 capital: instruments and allowance			
Shareholder's Equity	-		46
Stock subscription rights	-		46
Liabilities	-		46
Capital instruments issued by Special Purpose Companies	-		46
Minority interest after adjustments	2,550		48-49
Tier 2 capital under Basel II included in Tier 2 capital under transitional Basel III rules	-	-	47+49
Capital instruments issued by Daiwa Securities Group Inc. and its Special Purpose Companies	-	-	47
Capital instruments issued by consolidated subsidiaries and affiliates (excluding Special Purpose companies of Daiwa Securities Group Inc.)	-	-	49
General allowance included and eligible allowance in Tier2 capital	-		50
General allowance	-		50a
Eligible allowance	-		50b
Tier 2 capital under transitional Basel III rules	45,803		
Capital instruments included in Tier 2 capital	-		
Unrealized holding gain or loss on securities and cash flow hedge reserve	45,803		
Tier 2 capital before regulatory adjustments (h)	48,353		51

(Unit: 1 Million Yen, %)

Items			Exclusion under transitional arrangements	Basel III template number
Tier 2 capital: regulatory adjustments				
Investments in own Tier 2 instruments		-	-	52
Reciprocal cross-holdings in Tier 2 instruments		-	-	53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		-	26,268	54
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		-	-	55
Tier 2 capital adjustments under transitional Basel III rules		73		
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		73		
Total regulatory adjustments to Tier 2 capital	(i)	73		57
Tier 2 capital				
Tier 2 capital (T2) ((h) - (i))	(j)	48,279		58
Total capital				
Total capital (TC = T1 + T2) ((g) + (j))	(k)	953,050		59
Risk weighted assets				
Amount of risk weighted assets under transitional Basel III rules		130,328		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		57,984		
Intangible assets(other than Goodwill)		68,974		
Deferred tax assets excluding assets arising from temporary differences(net of related tax liability)		3,369		
Total risk weighted assets	(l)	4,755,172		60
Consolidated capital adequacy ratio				
Common Equity Tier 1 (as a percentage of risk weighted assets) ((c) / (l))		19.0%		61
Tier 1 (as a percentage of risk weighted assets) ((g) / (l))		19.0%		62
Total capital (as a percentage of risk weighted assets) ((k) / (l))		20.0%		63
Amounts below the thresholds for deduction (before risk weighting)				
Non-significant investments in the capital of other financials		80,909		72
Significant investments in the common stock of financials		45,186		73
Mortgage servicing rights (net of related tax liability)		-		74
Deferred tax assets arising from temporary differences (net of related tax liability)		5,302		75
Applicable caps on the inclusion of allowance in Tier 2				
Allowance eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)		-		76
Cap on inclusion of allowance in Tier 2 under standardised approach		-		77
Allowance eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		-		78
Cap for inclusion of allowance in Tier 2 under internal ratings-based approach		-		79
Capital instruments subject to phase-out arrangements				
Current cap on AT1 instruments subject to phase out arrangements		-		82
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		-		83
Current cap on T2 instruments subject to phase out arrangements		-		84
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		-		85

Qualitative Disclosure (Consolidated)

1. Scope of Consolidation

A). Discrepancy and the reason in the scope of consolidation defined under consolidated financial statement reported and that for consolidated capital adequacy ratio calculation.

Not applicable.

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

Number of consolidated subsidiaries: 52 companies

Major Consolidated Subsidiaries	Businesses
Daiwa Securities Co. Ltd.	Securities related businesses
	Investment advisory and agency businesses
Daiwa Asset Management Co. Ltd.	Investment management businesses
	Investment advisory and agency businesses
Daiwa Institute of Research Holdings Ltd.	Integration and management of subsidiaries
Daiwa Securities Business Center Co. Ltd.	Back office operations
Daiwa Property Co., Ltd.	Lending and borrowing of real estates
Daiwa Next Bank, Ltd.	Banking businesses
Daiwa Institute of Research Ltd.	Information services
Daiwa Institute of Research Business Innovation Ltd.	Information services
Daiwa Corporate Investment Co., Ltd.	Investment businesses
Daiwa Securities SMBC Principal Investments Co. Ltd.	Investment businesses
Daiwa PI Partners Co. Ltd.	Investment businesses
Daiwa Real Estate Asset Management Co., Ltd.	Investment management businesses
	Investment advisory and agency businesses
Daiwa Office Investment Corporation	Investment in specified assets
Daiwa Capital Markets Europe Limited	Securities related businesses
Daiwa Capital Markets Asia Holding B.V.	Integration and management of subsidiaries
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 engage in financial activities, company names, total asset as well as net asset in Balance Sheet, and businesses of major affiliated companies that engaged in financial activities under the provision of Article 9 of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA.

No company is subject to proportionate consolidation methods.

D). Company names, total asset as well as net asset in Balance Sheet, and business of company which belong to Daiwa Group but not included under the scope of consolidation in the financial statement; and company which included under the scope of consolidation in the financial statement but does not belong to Daiwa Group.

Not applicable.

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

There is no specific restriction set forth regarding the transfer of funds and regulatory capital within 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 as well as regulatory capital point of views.

<Economic Capital>

The Group sets economic capital allocation amount after reserving capital buffer adequately resists financial stress under Tier 1 capital, and accordingly allocates such capital toward major Group companies.

In assessing the capital adequacy, the Group monitors capital requirements based on the aggregated level of each Group company against the economic capital allocated to them.

Economic capital allocated toward major companies is set with reflecting historical risk amount, business plans, budget, and others. Capital adequacy is assessed by confirming and quantifying if the risk amount held by the Group companies as a result of their business activities falls with in the range of allocated capital.

<Regulatory Capital>

The Group monitors regulatory capital against the alert level which is set well above the minimum regulatory capital ratio.

3. Credit Risk

A). Overview of risk management policies and procedures

<Credit Risk Management Policy >

In regard to transactions that involve exposure to credit risk, before the transaction is made, the Group assigns the counterparty a credit limit based on its credit rating. Subsequently, the Group carefully monitors the notional amount and the credit equivalent amount. In particular, in the wholesale business where the exposure to credit risk is comparatively high, the Group assigns credit limit based on the probability of failure of each counterparty and expected recovery rate of the transaction. The probability of failure is estimated via internal model and expected recovery rate is from the transaction conditions such as the maturity, collaterals and legal enforceability of the agreement. In addition, the Group measures and periodically monitors credit VaR at the portfolio level.

<Allowance for Doubtful Account>

In order to prepare for the loss from bad debts on loan and others, allowance for doubtful accounts are provided for probable losses on loans and receivables, based on the actual historical default rate for normal claims, and based on individually assessed amounts for doubtful and default loans.

<Calculation of Credit Risk Asset>

Credit risk exposures are being calculated in the standardized approach

B). The Name of the external credit assessment institutions (hereunder ECAIs) used when determining the risk weight

Following ECAIs are used to determine the risk weight

- Rating & Investment Information, Inc.
- Japan Credit Rating Agency, Ltd.
- Moody's Investors Service, Inc.
- Standard & Poor's Rating Services

4. Overview of Policy and Procedure for the Credit Risk Mitigation Techniques

Collateral is used for the Credit Risk Mitigation Techniques (hereunder CRM Techniques).

Types of collaterals are generally cash or high liquid securities. Received collateral is valued mark to market daily and monitored against exposures. In addition, balance and type of collaterals taken are also subject to the monitoring.

For derivative and repo transactions, bilateral netting agreements are generally set. For transaction where legally enforceable bilateral netting arrangement exists, the CRM Techniques are applied.

The Group uses the Comprehensive Approach for the CRM Techniques.

5. Overview of Policies and Procedures for the Counterparty Credit Risk Management of Derivative and Long Settlement Transactions

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

Credit limits of the counterparty are reviewed periodically. In addition, for uncollateralized exposures, allowance amount is calculated based upon allowance percentage that is set in accordance with the Group's internal credit rating and maturity of transaction.

Risk capital is allocated based upon the credit VaR, and reviewed semiannually. Upon the time when own credit rating downgraded, additional collateral will be required. The Group carefully monitors the additional collateral amount and accordingly, such amount falls into the allowable level.

6. Securitization Exposures

A). Overview of risk management policies and characteristics of other risks

The Group is involved in securitization transactions as an investor, and accordingly holds securitization products under investment and trading accounts.

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 227 Paragraph 4(iii)-(vi) of the Consolidated Capital Adequacy Ratio Notification

Periodical monitoring of securitization exposures are being conducted in order to adequately grasp comprehensive risk characteristics of securitization exposures including risk characteristics of underlying asset, performance related information of underlying assets, and the scheme of the securitization transaction.

C). Policies when securitization transactions are used for CRM Techniques purpose

Not applicable.

D). Method of calculating credit risk asset

The standardized approach is used in order to calculate credit risk amount.

E). Method of calculating market risk amount

For general market risk, the internal model is used, for specific risk, the standardized approach is used.

F). Engagement to the securitization transaction through Special Purpose Entity, if applied type of SPE and the exposure

Trust and Special Purpose Company are used as SPEs, and the securitization exposure is partially owned and treated on balance.

G). The name of the Group company that holds securitization exposure when securitization transaction is engaged by the subsidiary of Group company (excluding consolidated subsidiaries) and affiliated Group company (including securitization transaction engaged by the Group through SPEs)

Not applicable

H). 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.

I). ECAIs used when determining the risk weight

Following ECAIs 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, Inc.
- Standard & Poor's Rating Services
- Fitch Ratings Ltd.

J). Overview if the Group uses the Internal Assessment Approach

Not applicable

K). Overview if significant change in quantitative information is observed

Not applicable

7. Market Risk

A). Overview of risk management policies and procedures

Under the Group's trading position, with considering soundness in financial outstanding and business plan, and budget, limits on VaR, position, and sensitivity are set. The Group's Risk Management Department monitors market risk and accordingly reports to the managements daily.

Back testing is being conducted in order to verify accuracy of VaR model. In addition, so as to support VaR which have calculated based upon given time horizon and statistical hypothesis, stress test is conducted by applying historical and hypothetical stress events as a scenario.

B). Methods used for calculation of market risk

i. Internal models approach

General market risk for Daiwa Securities Co. Ltd., and foreign subsidiaries.

ii. Standardized approach

Specific risk

General market risk that is not included in above query "i"

C). The method in order to adequately evaluate price in accordance with characteristics of the product/ transaction, with recognizing the assumed holding period and the inability to close the positions within the period

The Group sets forth the policies and operational manual regarding valuation. The independent risk control department from the department which engages with trading businesses carefully analyzes and reviews the relevancy of value and valuation method, and such results are periodically reviewed by the external audit

D). Overview and the explanation of internal model and explanation of back-testing and stress test

The Group uses VaR as well as Stressed VaR in which indicates maximum potential loss under stress period. In addition, in order to test accuracy of VaR, the Group conducts back-testing so as to reconcile VaR against actual profit and loss. Likewise, stress test is conducted in order to grasp possible loss incurred as a result of historical and hypothetical stress events.

E). Overview of the model used when incremental risk is measured by internal model

Not applicable

F). Overview of the model used when comprehensive risk is measured by internal model

Not applicable

G). Assumptions and the methods in internal capital adequacy assessment of market risk

Historical simulation model that uses historical market scenario is used. Assumptions of historical simulation model are stated as followings:

- Holding Period: 10 business days
- Observation Period: 520 business days
- Confidence Level: 99%

8. Operational Risk

A). Risk management policies and procedures

As the Group's business becomes more sophisticated, diversified, and systemized, the accompanying risks become more varied, and as a result the need to manage such operational risk grows each year. The Group's major subsidiary companies engage in RCSA (Risk Control Self Assessment) in compliance with operational risk management rule, 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.

B). Methods for the calculation of operational risk amount

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

9. Overview of Risk Management Policy and Procedure for Equity Exposure on Non Trading Accounts

In addition to trading businesses, the Group posses investment securities for investment 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 managements including measurement of risk by the profile.

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

Also, 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 moving average method). Non-marketable available-for-sale securities are carried at cost by moving average method.

10. Interest Rate Risk under Non Trading Accounts

A). Overview of risk management policies and procedures

In regard to non trading accounts of the Group, most interest rate risk arises from the assets and liabilities held by Daiwa Next Bank, Ltd.

Daiwa Next Bank, Ltd. complies with management rules of market risk and manages the risk of incurring losses from changes in the value of assets and liabilities or in the net incomes.

Middle and back offices, which are independent from front office, are set, and it acts as a system of checks and balances. In addition, the ALM committee is periodically held and discussed regarding the management and operation of market and liquidity risks as well as the management of assets, liabilities, and capital efficiencies.

B). Overview of management's method for measuring interest rate risk under non trading accounts

i. Financial assets and liabilities (exclude financial assets and liabilities held by subsidiaries engaged in the banking business)

Financial assets and liabilities that are resulted by interest rate risk are bonds and notes and long-term loans payable. The change in fair value is calculated under assumption of changes in interest rate for 10 basis points (0.1%).

ii. Financial assets and liabilities held by subsidiaries engaged in the banking business

For the financial assets and liabilities in the subsidiaries engaged in the banking business, market risk amount is measured in a change of economic value used the 99^{th} percentile of observed interest rate changes using a year holding period and 5 years of observations. It is used for quantitative analysis to manage risk of change in an interest rate. For calculating the amount of changes, the balances of the financial assets and liabilities are classified in each period. The changes of interest rate in each period are applied. For those currency positions which consists less than 5% of gross asset or liability, upward and downward rate shocks of 200 basis points (2%) is uniformly applied in a parallel move, and changes are being calculated.

11. The amount of each account in Balance sheet as in published statement and the reference number in composition of capital disclosure under the assumption of the financial statement under the regulatory scope of consolidation complying the Capital Adequacy Ratio Accord item 3

(Unit: 1 Million Yen)

	Balance Sheet as in published statement	Under regulatory scope of consolidation	Reference number in composition of capital disclosure
Current assets			
Cash and deposits	1,212,243	1,212,243	
Cash segregated as deposits	260,197	260,197	
Notes and accounts receivable-trade	13,675	13,675	
Short-term investment securities	2,113,038	2,113,038	18, 39, 54, 72, 73
Trading products	8,849,128	8,849,128	16, 18, 39, 54, 72, 73
Trade date accrual	235,449	235,449	
Operational investment securities	149,329	149,329	18, 39, 54, 72, 73
Allowance for investment loss	△ 35,495	△ 35,495	
Operating loans	171,843	171,843	
Work in process	574	574	
Margin transaction assets	193,642	193,642	
Loans secured by securities	4,841,726	4,841,726	
Advances paid	26,934	26,934	
Short-term loans receivable	10,524	10,524	
Accrued income	34,831	34,831	
Deferred tax assets	5,643	5,643	10, 75
Other current assets	246,143	246,143	
Allowance for doubtful accounts	△ 280	△ 280	
Total current assets	18,329,152	18,329,152	
Noncurrent assets			
Tangible assets	407,118	407,118	
Intangible assets	84,439	84,439	
Goodwill	15,465	15,465	8
Others	68,974	68,974	9
Investments and other assets	228,389	228,389	
Investment securities	192,906	192,906	18, 39, 54, 72, 73
Deferred tax assets	3,028	3,028	10, 75
Others	32,454	32,454	
Total noncurrent assets	719,947	719,947	
Total assets	19,049,099	19,049,099	

(Unit: 1 Million Yen)

	Balance Sheet as in published statement	Under regulatory scope of consolidation	Reference number in composition of capital disclosure
Liabilities			
Current liabilities			
Notes and accounts payable-trade	3,508	3,508	
Trading products	4,965,693	4,965,693	
Margin transaction liabilities	57,762	57,762	
Loans payable secured by securities	7,142,965	7,142,965	
Deposits from banking business	1,791,765	1,791,765	
Deposits received	168,453	168,453	
Guarantee deposits received	286,675	286,675	
Short-term loans payable	946,311	946,311	
Commercial papers	301,711	301,711	
Current portion of bonds	221,291	221,291	
Income taxes payable	3,094	3,094	
Deferred tax liabilities	13,889	13,889	
Provision for bonuses	30,855	30,855	
Other current liabilities	121,448	121,448	
Noncurrent liabilities			
Bonds payable	1,198,172	1,198,172	
Long-term loans payable	642,835	642,835	
Deferred tax liabilities	10,403	10,403	
Provision for retirement benefits	31,813	31,813	
Provision for loss on litigation	648	648	
Negative goodwill	7,990	7,990	
Other noncurrent liabilities	16,685	16,685	
Reserves under the special laws	2,555	2,555	
Total liabilities	17,966,531	17,966,531	
Net assets			
Shareholder's equity			
Common stock	247,397	247,397	1a
Capital surplus	230,676	230,676	1a
Retained earnings	408,647	408,647	2
Treasury stock	△ 19,212	△ 19,212	1c
Total shareholder's equity	867,509	867,509	
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	76,740	76,740	
Cash flow hedge reserve	△ 16,765	△ 16,765	11
Foreign currency translation adjustment	△ 15,709	△ 15,709	
Total accumulated other comprehensive income	44,264	44,264	3
Stock subscription rights	6,387	6,387	1b
Minority interests	164,406	164,406	34-35, 48-49
Total net assets	1,082,567	1,082,567	

Quantitative Disclosure (Consolidated)

1. Within subsidiary company that is classified as the significant investment in the capital of financial institution, name as well as the total amount of capital adequacy for the Group's subsidiary

   Not applicable

2. Capital Adequacy

Capital requirements for credit risk

(Unit: 1 Million Yen)

	March 2013
On-balance transactions	117,339
1.Cash	-
2.Japanese government and central bank	-
3.Non-Japanese sovereign and central bank	1,133
4.Bank for International Settlement (BIS)	-
5.Japanese local public authorities	-
6.Non-Japanese public sector entities (excluding sovereign)	439
7.Multilateral development banks (MDBs)	-
8.Japan Finance Organization for Municipalities (JFM)	477
9.Japanese government sponsored entities	1,567
10.Three major local public corporations of Japan	-
11.Financial institutions and securities firms	10,305
12.Corporates	24,202
13.SMEs and individuals (risk weight 75% applied)	-
14.Residential mortgage loans	-
15.Projects including acquisition of real estate properties	527
16.Past due exposures for three months or more	84
17.Cash items in process of collection	-
18.Exposures secured by Credit Guarantee Association in Japan	-
19.Exposures secured by Enterprise Turnaround Initiative Corporation of Japan	-
20.Equities	23,418
21.Others	40,292
22.Securitizations (as an originator)	-
23.Securitizations (not as an originator)	1,461
24.Funds	13,427

(Unit: 1 Million Yen)

	March 2013
Off-balance transactions	46,881
1.Unconditionally or automatically cancellable commitments	-
2.Commitments with an original maturity up to one year	-
3.Short-term self-liquidating trade letters of credit arising from the movement of goods	-
4.Certain transaction-related contingent items	-
5.Note issuance facilities (NIFs) and revolving underwriting facilities (RUFs)	-
6.Commitments with an original maturity over one year	-
7.Commitments related IRB approach	-
8.Direct credit substitutes and acceptances	210
9.Sale and repurchase agreements and asset sales with recourse	-
10.Forward asset purchases, forward forward deposits and partly-paid shares and securities	-
11.Lending or posting of securities as collateral	14,118
12.Derivative transactions	31,734
13.Long settlement transactions	448
14.Unsettled transactions	291
15. Securitization exposure qualifies as an 'eligible liquidity facility' or an 'eligible servicer cash advance facility'	-
16.Others (Securitization off-balance transactions)	79
CVA risk capital charge	54,194
Exposures to Central Counterparties(CCPs)	1,791
Total capital requirements for credit risk	220,206

※ There is no applicable credit risk exposure in which calculated under IRB approach.

Capital requirements for market risk

(Unit: 1 Million Yen)

	March 2013
Standardized approach	60,844
Interest rate risk	49,369
Equity risk	7,864
Foreign exchange risk	3,610
Commodities risk	2
Option transactions	-
Internal models approach	41,208
Total capital requirements for market risk	102,060

Capital requirements for operational risk

(Unit: 1 Million Yen)

	March 2013
Basic indicator approach	58,147
Standardized approach	-
Advanced measurement approach	-
Total capital requirements for operational risk	58,147

Total capital requirements

(Unit: 1 Million Yen)

	March 2013
Credit risk	220,206
Market risk	102,060
Operational risk	58,147
Total capital requirements	380,413

3. Credit Risk Exposures (excluding exposures under IRB approach and securitization exposures)

Exposures by geographical area, industry, and residual contractual maturity

【March 2013】 (Unit: 1 Million Yen)

	Credit risk exposures						Past due exposures for three months or more
		Loans	Repo	Derivatives	Securities	Others (※)	
Japan	15,394,042	100,914	6,064,087	4,595,318	2,440,165	2,193,556	1,154
Overseas	7,759,709	118	7,394,467	108,322	15,734	241,066	370
Total (by area)	23,153,752	101,032	13,458,555	4,703,641	2,455,899	2,434,623	1,524
Sovereign	3,153,149	-	628,369	58,071	1,721,796	744,912	0
Financial institutions	9,581,598	10,000	5,082,891	3,873,435	47,516	567,755	238
Corporates	3,943,645	20,911	2,990,328	471,545	309,948	150,910	1,248
Individuals	267,624	70,120	-	85	-	197,419	38
CCPs	5,099,185	-	4,756,965	300,504	-	41,716	-
Others	1,108,548	-	-	-	376,637	731,910	-
Total (by industry)	23,153,752	101,032	13,458,555	4,703,641	2,455,899	2,434,623	1,524
≦1year	12,600,173	91,891	11,962,457	296,487	34,347	214,989	
＞1year≦3years	295,159	135	-	263,735	31,288	-	
＞3year≦5years	1,368,737	2	-	1,207,969	160,765	-	
＞5year≦7years	2,583,269	-	-	2,552,644	30,625	-	
＞7year	1,795,027	264	-	379,520	1,415,243	-	
Indeterminate	4,511,384	8,738	1,496,097	3,283	783,630	2,219,634	
Total (by maturity)	23,153,752	101,032	13,458,555	4,703,641	2,455,899	2,434,623	

※ Including deposits, properties and equipments, intangible assets.

Year-end balance and changes of general and specific allowances for credit loss, and allowances to specific foreign obligations

(Unit: 1 Million Yen)

Type of allowances	Geographic area	March 2013	Changes
General allowance		-	△ 200
Specific allowance	Japan	37,128	△ 70
	Overseas	24	3
Allowance to specific foreign obligations		-	
Type of allowance	Industry		
General allowance		-	△ 200
Specific allowance	Sovereign	-	-
	Financial institutions	-	-
	Corporates	575	△ 383
	Individuals	80	77
	Others	36,497	239
Allowance to specific foreign obligations		-	-

Loan write-off by industry

Not applicable.

Exposure by risk weight after Credit Risk Mitigation (CRM) Techniques

(Unit: 1 Million Yen)

Risk weight	March 2013		
	Exposure amounts		
		Application of external rating	Others
0%	2,324,459	207,013	2,117,446
2%	171,325	-	171,325
10%	198,388	-	198,388
20%	1,903,790	1,868,021	35,769
35%	26	-	26
50%	252,455	249,539	2,916
75%	-	-	-
100%	1,151,872	52,784	1,099,088
150%	1,247	348	899
250%	70,611	-	70,611
Others	321,463	-	321,463
1250%	3,012	-	3,012
Total	6,398,653	2,377,706	4,020,947

4. Credit Risk Mitigation (CRM) Techniques

Exposure for which CRM Techniques are applied

(Unit: 1 Million Yen)

Type		March 2013
	Cash	7,925,786
	Debts	5,282,040
	Equities	457,450
	Mutual funds	-
Eligible Financial Collateral Total		13,665,277
	Guarantees	-
	Credit derivatives	-
Guarantees and Credit Derivatives Total		-

5. Counterparty Risk for Derivative Transactions and Long Settlement Transactions

The credit-equivalent amounts are calculated by applying the Current-Exposure method.

【March 2013】 (Unit: 1 Million Yen)

	Gross replacement cost	Gross add-on	Credit equivalent amounts
Foreign exchanges	645,985	645,999	1,291,984
Interest rates	1,634,680	631,379	2,266,060
Equities	359,285	381,058	740,343
Other commodities	75	234	309
Credit derivatives	33,829	376,811	410,641
Total (A)	2,673,856	2,035,483	4,709,340
Benefit through close-out netting agreements (B)			3,151,489
Credit equivalent amounts after netting (C=A-B)			1,557,851
Credit risk mitigation benefits (D)			344,622
Cash			182,221
Debts			154,551
Equities			7,849
Mutual funds			-
Credit equivalent amounts after netting and CRM benefits (C-D)			**1,213,225**

Notional amount of credit derivatives subject to the calculation of the credit equivalent amounts

【March 2013】 (Unit: 1 Million Yen)

Credit derivatives type	Notional amounts	
	Protection bought	Protection sold
Credit default swaps	2,284,163	2,218,617

Notional amount of credit derivatives used for CRM purpose

Not applicable

6. Securitization Exposures

A). Securitization exposures for calculating Credit Risk Asset as an originator

Not applicable

B). Securitization exposures for calculating Credit Risk Asset as an investor

i. Underlying assets

【March 2013】 (Unit: 1 Million Yen)

Underlying assets	Exposure amounts		Risk weight 1250%	
		Resecuritization		Resecuritization
Loans and receivables	94,598	1,678	-	-
Real estates	-	-	-	-
Equities	-	-	-	-
Others	-	-	-	-
Total	94,598	1,678	-	-

ii. Exposures balance and capital requirements by risk weight

【March 2013】 (Unit: 1 Million Yen)

Risk weight	Exposure amounts		Capital requirements	
		Resecuritization		Resecuritization
≦20%	92,919	-	1,486	-
＞20%≦50%	1,678	1,678	53	53
＞50%≦100%	-	-	-	-
＞100%≦350%	-	-	-	-
＞350%<1250%	-	-	-	-
1250%	-	-	-	-
Total	94,598	1,678	1,540	53

iii. The presence of resecuritized exposures subject to the CRM method, and the breakdown by guarantor or by the risk weight segments of guarantors.

Not applicable

C). Securitization exposures for calculating Market Risk as an originator

Not applicable

D). Securitization exposures for calculating Market Risk Asset as an investor

i. Underlying assets

【March 2013】 (Unit: 1 Million Yen)

Underlying assets		Exposure amounts		Risk weight 1250%	
			Resecuritization		Resecuritization
	Loans and receivables	1,252	-	-	-
	Real estates	-	-	-	-
	Equities	-	-	-	-
	Others	-	-	-	-
Total		1,252	-	-	-

ii. Exposure balance and capital requirements by risk weight

【March 2013】 (Unit: 1 Million Yen)

Risk weight		Exposure amounts		Capital requirements	
			Resecuritization		Resecuritization
	≦3.2%	1,252	-	20	-
	＞3.2%≦8%	-	-	-	-
	＞8%≦18%	-	-	-	-
	＞18%≦52%	-	-	-	-
	＞52%<100%	-	-	-	-
	100%	-	-	-	-
Total		1,252	-	20	-

iii. The total amount of securitization exposures subject to the comprehensive risk calculation.

Not applicable

7. Market Risk

Internal models approach Value at Risk (VaR) Results

(Calculation Method)

Historical Simulation Method

Holding period: 10 business days and a 99% Confidence level

【March 2013】 (Unit: 1 Million Yen)

	VaR	Stress VaR
Amount of March 31,2013	5,067	11,937
Maximum	6,494	13,065
Average	3,713	7,664
Minimum	2,451	3,890

Excess number of back-testing	1time

※ Back-Testing

Comparing VaR for a one day holding period with daily profit and loss is conducted in order to verify accuracy of VaR model.

Excess number of back testing is a number of times that losses are exceeded VaR over a given holding period.

8. Equity Exposure on Non Trading Accounts

A). Booking and market values on consolidated balance sheet

(Unit: 1 Million Yen)

	March 2013	
	Consolidated balance sheet amount	Market value
Listed equity exposure	135,411	135,411
Others	85,730	

※ Investment related equity exposure for which it is difficult to obtain market value is not included hereby.

B). Gains and losses from sales and write-off on equity exposures

(Unit: 1 Million Yen)

March 2013		
Gains on sales	Losses on sales	Write-off
12,726	1,317	776

C). Unrealized gains or losses recognized on the consolidated balance sheet and not on the consolidated income statement

(Unit: 1 Million Yen)

	March 2013
Unrealized gains / losses	51,869

※ Only securities in which have adequate market values are disclosed hereby.

D). Unrealized gains or losses not recognized on the consolidated balance sheet and the consolidated income statement

(Unit: 1 Million Yen)

	March 2013
Unrealized gains / losses	188

※ Only securities in which have adequate market values are disclosed hereby.

E). Equity exposure amounts which are subject to the Supplementary Provision Article 6 of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA, and which are sectioned by portfolio

Not applicable

9. Credit Risk Exposure Calculation Which Set Forth under Article 144 of the Consolidated Capital Adequacy Ratio Notification published by Japan FSA is applied

Not applicable

10. Gain or Loss in Earnings or Economic Value (or Relevant Measure Used by Management) for Upward and Downward Rate Shocks According to Management's Method for Measuring Interest Rate Risk under Non Trading Accounts

【March 2013】

Interest rate risk under non trading accounts

i. Financial asset and liability except for which possessed by the Group companies that transact banking business under assumption of change in interest rate for 10 basis point (i.e. 0.1%), we anticipate that the market value of "Bonds payable" and "Long-term loans payable" to change approximately 1.1 billion yen.

ii. Financial asset and liability possessed by the Group companies that transact banking business under assumption of change in interest rate and all the other risks fixed, we anticipate that the market value to reduce by 3.5 billion yen.

Overview of main features of regulatory capital instruments

1	Issuer	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment	
4	Transitional Basel III rules	Common Equity Tier 1 capital
5	Post-transitional Basel III rules	Common Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Common stock
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	
	Consolidated Capital Adequacy Ratio	847,123 million Yen
9	Par value of instrument	—
10	Accounting classification	
	Consolidated Balance Sheet	Shareholder's equity
11	Original date of issuance	—
12	Perpetual or dated	NA
13	Original maturity date	—
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	—
16	Subsequent call dates, if applicable	—
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	—
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	—
25	If convertible, fully or partially	—
26	If convertible, conversion rate	—
27	If convertible, mandatory or optional conversion	—
28	If convertible, specify instrument type convertible into	—
29	If convertible, specify issuer of instrument it converts into	—
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	—
32	If write-down, full or partial	—
33	If write-down, permanent or temporary	—
34	If temporary write-down, description of write-up mechanism	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
5	Post-transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2006	Stock subscription right series 3
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	305 million Yen	1,200 million Yen
9	Par value of instrument	―	―
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2006	September 4, 2006
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2026	June 23, 2016
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	―	―
16	Subsequent call dates, if applicable	―	―
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	―	―
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	―	―
25	If convertible, fully or partially	―	―
26	If convertible, conversion rate	―	―
27	If convertible, mandatory or optional conversion	―	―
28	If convertible, specify instrument type convertible into	―	―
29	If convertible, specify issuer of instrument it converts into	―	―
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	―	―
32	If write-down, full or partial	―	―
33	If write-down, permanent or temporary	―	―
34	If temporary write-down, description of write-up mechanism	―	―
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	―	―

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
5	Post-transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2007	Stock subscription right series 4
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	330 million Yen	838 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2007	September 3, 2007
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2027	June 22, 2017
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
5	Post-transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2008	Stock subscription right series 5
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	299 million Yen	720 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2008	September 8, 2008
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2028	June 20, 2018
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
5	Post-transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2009	Stock subscription right series 6
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	360 million Yen	492 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2009	November 9, 2009
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2029	June 19, 2019
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
5	Post-transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2010	Stock subscription right series 7
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	389 million Yen	328 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2010	September 1, 2010
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2030	June 25, 2020
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
5	Post-transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in July 2011	Stock subscription right series 8
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	433 million Yen	171 million Yen
9	Par value of instrument	―	―
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	July 1, 2011	September 5, 2011
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2031	June 24, 2021
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	―	―
16	Subsequent call dates, if applicable	―	―
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	―	―
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	―	―
25	If convertible, fully or partially	―	―
26	If convertible, conversion rate	―	―
27	If convertible, mandatory or optional conversion	―	―
28	If convertible, specify instrument type convertible into	―	―
29	If convertible, specify issuer of instrument it converts into	―	―
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	―	―
32	If write-down, full or partial	―	―
33	If write-down, permanent or temporary	―	―
34	If temporary write-down, description of write-up mechanism	―	―
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	―	―

1	Issuer	Daiwa Securities Group Inc.	Daiwa Securities Group Inc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Japanese Law	Japanese Law
	Regulatory treatment		
4	Transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
5	Post-transitional Basel III rules	Commom Equity Tier 1 capital	Commom Equity Tier 1 capital
6	Eligible at solo/group/group&solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Stock subscription right issued in Feburary 2013	Stock subscription right series 9
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)		
	Consolidated Capital Adequacy Ratio	472 million Yen	46 million Yen
9	Par value of instrument	—	—
10	Accounting classification		
	Consolidated Balance Sheet	Stock subscription right	Stock subscription right
11	Original date of issuance	Feburary 12, 2013	Feburary 12, 2013
12	Perpetual or dated	Dated	Dated
13	Original maturity date	June 30, 2032	June 26, 2022
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	—	—
16	Subsequent call dates, if applicable	—	—
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	—	—
19	Existence of a dividend stopper	NA	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	NA	NA
24	If convertible, conversion trigger (s)	—	—
25	If convertible, fully or partially	—	—
26	If convertible, conversion rate	—	—
27	If convertible, mandatory or optional conversion	—	—
28	If convertible, specify instrument type convertible into	—	—
29	If convertible, specify issuer of instrument it converts into	—	—
30	Write-down feature	NA	NA
31	If write-down, write-down trigger(s)	—	—
32	If write-down, full or partial	—	—
33	If write-down, permanent or temporary	—	—
34	If temporary write-down, description of write-up mechanism	—	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts	Debts
36	Non-compliant transitioned features	NA	NA
37	If yes, specify non-compliant features	—	—

1	Issuer	Daiwa Office Investment Corporation
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment	
4	Transitional Basel III rules	Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital
5	Post-transitional Basel III rules	Additional Tier 1 capital, Tier 2 capital
6	Eligible at solo/group/group&solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Investment unit
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	
	Consolidated Capital Adequacy Ratio	84,984 million Yen
9	Par value of instrument	—
10	Accounting classification	
	Consolidated Balance Sheet	Minority interest
11	Original date of issuance	—
12	Perpetual or dated	NA
13	Original maturity date	—
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	—
16	Subsequent call dates, if applicable	—
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	—
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	—
25	If convertible, fully or partially	—
26	If convertible, conversion rate	—
27	If convertible, mandatory or optional conversion	—
28	If convertible, specify instrument type convertible into	—
29	If convertible, specify issuer of instrument it converts into	—
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	—
32	If write-down, full or partial	—
33	If write-down, permanent or temporary	—
34	If temporary write-down, description of write-up mechanism	—
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Debts
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	—

End