April 25, 2024

Daiwa Securities Group Inc.

Report Regarding Consolidated Capital Adequacy Ratio and Consolidated Leverage Ratio Situation of Soundness in Management as of December 31, 2023

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 December 31, 2023.

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Key Metrics (at consolidated group level)

KM1: Key metrics

(Millions of yen , %)

Basel III template number		December 2023	September 2023	June 2023	March 2023	December 2022
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1,299,914	1,308,028	1,305,377	1,240,674	1,250,943
2	Tier 1	1,489,647	1,495,881	1,491,860	1,429,860	1,440,247
3	Total capital	1,498,996	1,502,097	1,495,580	1,439,174	1,449,613
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	6,691,815	6,789,921	6,931,589	6,808,704	6,811,728
Capital ratio						
5	CET1 ratio (%)	19.42%	19.26%	18.83%	18.22%	18.36%
6	Tier 1 ratio (%)	22.26%	22.03%	21.52%	21.00%	21.14%
7	Total capital ratio (%)	22.40%	22.12%	21.57%	21.13%	21.28%
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%	0.05%	0.04%	0.02%
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%	3.05%	3.04%	3.02%
12	CET1 available after meeting the bank’s minimum capital requirements (%)	14.40%	14.12%	13.57%	13.13%	13.28%
Leverage ratio						
13	Total leverage ratio exposure measure	24,439,442	27,268,928	26,077,120	22,195,226	21,947,493
14	Leverage ratio (%) including the impact of any applicable temporary exemption of central bank reserves	6.09%	5.48%	5.72%	6.44%	6.56%

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		1,293,273	
1a		Common stock and capital surplus	478,551	(i),(j)
2		Retained earnings	921,853	(k)
1c		Treasury stock (Δ)	107,131	(l),(m)
26		Planned distributions (Δ)	-	
		Others	-	
1b	Stock subscription rights		7,678	(p)
3	Accumulated other comprehensive income (and other reserves)		166,538	(o)
5	Minority interest after adjustments		-	
6	Common Equity Tier 1 capital before regulatory adjustments (a)		1,467,490	
Common Equity Tier 1 capital: regulatory adjustments (2)				
8+9	Intangible assets other than mortgage-servicing rights (net of related tax liability)		165,227	
8		Goodwill (net of related tax liability)	52,889	(e),(g)
9		Other intangibles other than mortgage-servicing rights(net of related tax liability)	112,338	(f)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		216	(d),(h)
11	Cash-flow hedge reserve		1,287	(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		660	
15	Defined-benefit pension fund net assets		-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		184	(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)		-	(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)		167,575	
Common Equity Tier 1 capital				
29	Common Equity Tier 1 capital (CET1) ((a) - (b)) (c)		1,299,914	

(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		150,000	
		Instruments issued by Special Purpose Companies		-	
34-35		Minority interest after adjustments		39,732	(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)	189,732	
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)		-	(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)	-	
Additional Tier 1 capital					
44		Additional Tier 1 capital ((d) - (e))	(f)	189,732	
Tier 1 capital					
45		Tier 1 capital ((c) + (f))	(g)	1,489,647	
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		9,348	(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)	9,348	

(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)		-	(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)	-	
Tier 2 capital				
58	Tier 2 capital ((h) - (i))	(j)	9,348	
Total capital				
59	Total capital ((g) + (j))	(k)	1,498,996	
Risk-weighted assets		(5)		
60	Total risk-weighted assets	(l)	6,691,815	
Consolidated capital adequacy ratio				
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) ((c) / (l))		19.42%	
62	Tier 1 (as a percentage of risk-weighted assets) ((g) / (l))		22.26%	
63	Total capital (as a percentage of risk-weighted assets) ((k) / (l))		22.40%	
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		14.40%	
Amounts below the thresholds for deduction (before risk weighting)		(6)		
72	Non-significant investments in the capital of other financials		128,197	(a),(b),(c),(g)
73	Significant investments in the common stock of financials		95,274	(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)		4,817	(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. 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		4,576,632	4,577,768	
Cash segregated as deposits		511,475	511,475	
Notes and accounts receivable-trade		23,719	23,719	
Short-term investment securities	(a)	1,287,118	1,287,118	8, 18, 39, 54, 72, 73
Trading products	(b)	7,194,280	7,194,280	16, 18, 39, 54, 72, 73
Trading date accrual		-	-	
Operational investment securities	(c)	141,562	141,562	18, 39, 54, 72, 73
Allowance for investment loss		(12)	(12)	
Operating loans		2,674,649	2,674,649	
Work in process		1,508	1,508	
Margin transaction assets		155,368	155,368	
Loans secured by securities		12,526,343	12,526,343	
Advances paid		28,700	28,700	
Short-term loans receivable		1,262	1,262	
Accrued income		82,652	82,752	
Deferred tax assets	(d)	-	-	10, 75
Other current assets		960,875	961,245	
Allowance for doubtful accounts		(9,369)	(9,369)	
Total current assets		30,156,766	30,158,372	
Noncurrent assets				
Property, plant and equipment		922,084	922,130	
Intangible assets		130,929	130,986	
Goodwill	(e)	19,690	19,690	8
Others	(f)	111,239	111,296	9
Investments and other assets		524,566	524,216	
Investment securities	(g)	478,826	478,443	8, 18, 39, 54, 72, 73
Deferred tax assets	(h)	5,032	5,032	10, 75
Others		40,708	40,739	
Total noncurrent assets		1,577,580	1,577,334	
Total deferred charges		-	-	
Total assets		31,734,346	31,735,706	

(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		7,508	7,508	
Trading products		6,151,836	6,151,836	
Trading date accrual		350,920	350,920	
Margin transaction liabilities		44,554	44,554	
Loans payable secured by securities		12,080,308	12,080,308	
Deposits from banking business		4,510,355	4,510,355	
Deposits received		626,817	626,820	
Guarantee deposits received		496,014	496,014	
Short-term loans payable		1,245,013	1,245,713	
Commercial paper		632,500	632,500	
Current portion of bonds		205,374	205,374	
Income taxes payable		23,508	23,508	
Deferred tax liabilities		-	-	
Provision for bonuses		23,652	23,652	
Other current liabilities		104,488	104,736	
Noncurrent liabilities				
Bonds payable		1,283,856	1,283,856	
Long-term loans payable		2,073,638	2,073,638	
Deferred tax liabilities		43,754	43,754	
Net defined benefit liabilities		44,080	44,080	
Provision for loss on litigation		238	238	
Negative goodwill		-	-	
Other noncurrent liabilities		52,924	53,071	
Reserves under the special laws		4,294	4,294	
Total liabilities		30,005,640	30,006,739	
Net assets				
Shareholders' equity				
Common stock	(i)	247,397	247,397	1a
Capital surplus	(j)	231,153	231,153	1a
Retained earnings	(k)	921,843	921,846	2
Treasury stock	(l)	(107,193)	(107,193)	1c
Advances on subscription of treasury stock	(m)	61	61	1c
Total shareholders' equity		1,293,263	1,293,266	
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		46,963	46,963	
Deferred gains or losses on hedges	(n)	9,812	9,812	11
Foreign currency translation adjustment		109,632	109,768	
Total accumulated other comprehensive income	(o)	166,407	166,543	3
Subscription rights to shares	(p)	7,678	7,678	1b
Minority interests	(q)	261,356	261,475	34-35, 48-49
Total net assets		1,728,706	1,728,966	

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	1,293,273 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	53 million Yen	69 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	76 million Yen	136 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	198 million Yen	284 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	362 million Yen	304 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	342 million Yen	858 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	351 million Yen	338 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	380 million Yen	664 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	416 million Yen	748 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	523 million Yen	413 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	414 million Yen	237 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	319 million Yen	183 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 30,491 million Yen Tier 2 capital 7,174 million Yen	Additional Tier 1 capital 9,241 million Yen Tier 2 capital 2,174 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	125,000 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	―	―

Quantitative Disclosure (Consolidated)

1. Other quantitative disclosures

OV1：Overview of RWA

(Millions of yen)

Basel Ⅲ template number			RWA		Minimum capital requirements	
			December 2023	September 2023	December 2023	September 2023
1	Credit risk (excluding counterparty credit risk) (CCR)		2,366,320	2,384,652	189,305	190,772
2		Of which standardized approach (SA)	1,209,450	1,189,539	96,756	95,163
3		Of which internal rating-based (IRB) approach	-	-	-	-
		Of which significant investments	-	-	-	-
		Of which exposures for estimated residual value of lease	-	-	-	-
		Others	1,156,870	1,195,113	92,549	95,609
4	Counterparty credit risk		1,339,223	1,408,430	107,137	112,674
5		Of which standardized approach for counterparty credit risk (SA-CCR)	439,400	490,499	35,152	39,239
6		Of which internal model method (IMM)	-	-	-	-
		Of which credit valuation adjustment (CVA) risk	467,060	505,769	37,364	40,461
		Of which exposures to central counterparties (CCPs)	31,108	36,842	2,488	2,947
		Others	401,653	375,319	32,132	30,025
7	Equity positions under market-based approach		-	-	-	-
8	Equity investments in funds (look-through approach)		300,111	304,101	24,008	24,328
9	Equity investments in funds (mandate-based approach)		60,098	43,189	4,807	3,455
	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)		8,393	8,400	671	672
11	Settlement risk		787	254	62	20
12	Securitization exposures in banking book		176,800	182,457	14,144	14,596
13		Of which internal ratings-based approach (SEC-IRBA) or internal assessment approach (IAA)	-	-	-	-
14		Of which external ratings-based approach (SEC-ERBA)	176,800	182,457	14,144	14,596
15		Of which standardized approach (SEC-SA)	-	-	-	-
		Of which 1250% risk weight applied	-	-	-	-
16	Market risk		1,084,345	1,111,238	86,747	88,899
17		Of which standardized approach (SA)	750,983	779,860	60,078	62,388
18		Of which internal model approaches (IMM)	333,362	331,377	26,669	26,510
19	Operational risk		1,105,187	1,105,187	88,415	88,415
20		Of which basic indicator approach	1,105,187	1,105,187	88,415	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)		250,546	242,008	20,043	19,360
	Amounts included in risk weighted asset due to transitional arrangements		-	-	-	-
24	Floor adjustment		-	-	-	-
25	Total		6,691,815	6,789,921	535,345	543,193

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

(Millions of yen)

			VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA at previous quarter-end		99,911	231,465	-	-		331,377
1b	Adjustments to RWA based on the regulatory consolidated capital at previous quarter-end		2.34	2.69	-	-		2.58
1c	Amounts of IMA at previous quarter-end		42,518	85,807	-	-		128,325
2	Change in reporting period	Movement in risk levels	(11,464)	(5,053)	-	-		(16,517)
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		31,054	80,753	-	-		111,808
8b	Adjustments to RWA based on the regulatory consolidated capital at end of reporting period		4.22	2.50	-	-		2.98
8c	RWA at end of reporting period		131,173	202,189	-	-		333,362

Consolidated Leverage Ratio

1. Composition of consolidated leverage ratio

(Millions of yen , %)

Basel III template number (2)		Basel III template number (1)	Items		December 2023	September 2023
On-balance sheet exposures				(1)		
1			On-balance sheet items before adjustments		12,697,167	15,773,600
	1a	1	Total assets in the consolidated balance sheet		27,909,394	29,775,677
	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)		1,360	1,104
	1d	3	Assets other than the adjustments that are excluded from the total assets in the consolidated balance sheet		15,213,587	14,003,181
2		7	Tier 1 capital: regulatory adjustments		165,628	177,281
3			Total on-balance sheet exposures (excluding derivatives and SFTs)	(A)	12,531,539	15,596,319
Derivative exposures				(2)		
4			Replacement cost associated with all derivatives transactions (with the 1.4 alpha factor applied)		670,628	1,105,777
5			Add-on amounts for PFE associated with all derivatives transactions (with the 1.4 alpha factor applied)		595,449	790,498
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		17,007	34,968
8			Exempted CCP leg of client-cleared trade exposures			
9			Adjusted effective notional amount of written credit derivatives		3,068,896	3,039,000
10			Adjusted effective notional offsets and add-on deductions for written credit derivatives		2,680,636	2,630,244
11		4	Total derivative exposures	(B)	1,637,330	2,270,063
Securities financing transaction exposures				(3)		
12			Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions		13,760,060	12,401,939
13			Netted amounts of cash payables and cash receivables of gross SFT assets		3,803,589	3,327,344
14			CCR exposure for SFT assets		200,846	211,029
15			Agent transaction exposures			
16		5	Total securities financing transaction exposures	(C)	10,157,317	9,285,624
Other off-balance sheet exposures				(4)		
17			Off-balance sheet exposure at gross notional amount		163,228	166,722
18			Adjustments for conversion to credit equivalent amounts		49,972	49,800
19		6	Off-balance sheet items	(D)	113,256	116,922
Capital and total exposures				(5)		
20			Tier 1 capital	(E)	1,489,647	1,495,881
21		8	Total exposures (A)+(B)+(C)+(D)	(F)	24,439,442	27,268,928
22			Leverage ratio on a consolidated basis (E) / (F)		6.09%	5.48%
Leverage ratio (including amount of the central bank reserves)				(6)		
			Total exposures	(F)	24,439,442	27,268,928
			Amount of the central bank reserves		3,824,952	3,648,989
			Total exposures (including amount of the central bank reserves)	(F')	28,264,394	30,917,917
			Leverage ratio (including amount of the central bank reserves) (E) / (F')		5.27%	4.83%

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

There was a significant difference in the consolidated leverage ratio over the previous quarter. The reason of the difference is due to decrease of “Total exposures” by 2,829,486 million yen. Decrease in “Total exposures” is due to decrease in “Total on-balance sheet exposures” by 3,064,780 million yen.