

【IFRS Reference】 Quarterly Consolidated Financial Statements

For the 6 months ended September 30, 2022

Daiwa Securities Group Inc.

The statutory consolidated financial statements of Daiwa Securities Group Inc. filed under Financial Instruments and Exchange Act of Japan etc. are prepared in accordance with Generally Accepted Accounting Principles in Japan (JGAAP). In contrast, the accompanying IFRS-based financial statements are presented for reference only for the purpose of providing useful information for our shareholders and investors, and are not any requirement by Company Act, Financial Instruments and Exchange Act of Japan, nor listing rules of Tokyo Stock Exchange. Please note that there is no direct comparability between the financial statements prepared under different accounting standards.

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【Quarterly Consolidated Financial Statements】
Quarterly Consolidated Statements of Profit or Loss

(Unit : millions of Yen)

	FY2021(2Q)	FY2022(2Q)
Operating revenue:		
Commission received	160,293	137,512
Net gain on trading	44,521	34,777
Net gain(loss) on operational investment securities	2,934	4,898
Financial revenue	39,295	102,613
Other operating revenue	61,947	101,198
Total operating revenue	308,990	380,998
Financial expenses	(17,082)	(77,868)
Other operating expenses	(32,571)	(65,003)
Net operating revenue	259,337	238,127
Selling, general and administrative expenses	(193,387)	(198,670)
Other profits and losses	1,746	3,193
Share of net profit from investments accounted for using equity method	5,858	4,500
Quarterly profit before income tax	73,554	47,150
Income tax expenses	(18,460)	(12,173)
Quarterly net profit	55,094	34,977
Quarterly net profit attributable to:		
Owners of the parent	50,399	30,027
Non-controlling interests	4,695	4,950

(Unit : Yen)

	FY2021(2Q)	FY2022(2Q)
Quarterly earnings per share		
Attributable to owners of the parent:		
Basic	33.11	20.27
Diluted	32.90	20.17

Quarterly Consolidated Statements of Comprehensive Income

(Unit : millions of Yen)

	FY2021(2Q)	FY2022(2Q)
Quarterly net profit	55,094	34,977
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	2,307	48,670
Cash flow hedge reserves	(107)	202
Share of other comprehensive income of investments accounted for using equity method	3,350	4,817
Financial assets measured at FVTOCI	(5,925)	(664)
Items that will not be reclassified to profit or loss:		
Designated financial assets measured at FVTOCI	14,757	(9,912)
Designated financial liabilities measured at FVTPL	(272)	1,044
Other comprehensive income	14,110	44,157
Quarterly comprehensive income	69,204	79,134
Quarterly comprehensive income attributable to:		
Owners of the parent	63,911	73,045
Non-controlling interests	5,293	6,089

Quarterly Consolidated Statements of Financial Position

(Unit : millions of Yen)

	FY2021 March 31, 2022	FY2022(2Q) September 30, 2022
Assets:		
Cash and bank deposits	4,603,110	3,971,034
Trading securities and other	5,919,617	8,581,323
Derivative assets	1,656,896	2,139,781
Loans secured by securities	8,040,168	8,893,135
Loans and trade receivables	5,828,846	5,721,240
Operational investment securities	120,812	141,048
Other investments	1,324,952	1,249,981
Other financial assets	1,212,757	1,549,911
Designated financial assets measured at FVTOCI	214,220	190,612
Equity method investments	131,415	141,404
Property and equipment	170,315	177,287
Right-of-use assets	132,585	127,513
Investment property	829,573	821,765
Intangible assets	135,511	136,735
Other assets	249,261	281,702
Current tax assets	11,375	4,797
Deferred tax assets	7,842	8,390
Total assets	30,589,255	34,137,658
Liabilities:		
Trading securities and other	2,948,427	3,677,577
Derivative liabilities	1,620,487	2,097,805
Loans payable secured by securities	9,109,587	11,858,844
Trade payables	4,309,127	4,493,306
Deposits for banking business	4,189,105	4,126,220
Deposits from customers	402,231	522,152
Borrowings	3,508,267	2,830,767
Bonds and notes	1,806,912	1,616,786
Lease liabilities	134,105	129,274
Other financial liabilities	494,214	699,348
Provisions	8,579	8,058
Net defined benefit liabilities	44,236	44,458
Other liabilities	78,279	55,429
Current tax liabilities	8,651	7,189
Deferred tax liabilities	53,014	52,975
Total liabilities	28,715,221	32,220,188

(Unit : millions of Yen)

	FY2021 March 31, 2022	FY2022(2Q) September 30, 2022
Equity:		
Common stock	247,397	247,397
Additional paid-in-capital	231,851	231,758
Retained earnings	968,325	895,414
Treasury stock	(134,201)	(61,450)
Other components of equity	153,093	193,880
Other equity instruments	149,976	149,976
Equity attributable to owners of the parent	1,616,441	1,656,975
Non-controlling interests	257,593	260,495
Total equity	1,874,034	1,917,470
Total liabilities and equity	30,589,255	34,137,658

Other Information

(1) Basis of preparation

Daiwa Securities Group Inc. (the "Company") presents the accompanying quarterly consolidated financial statements on its homepage for reference only, and this information does not comprise any contents of statutory disclosure under Financial Instruments and Exchange Act of Japan etc.. The statutory disclosures of the Company are continually based on the consolidated financial statements prepared in accordance with Generally Accepted Accounting Principles in Japan ("JGAAP").

The accompanying quarterly consolidated financial statements comprise quarterly consolidated statement of profit or loss, quarterly consolidated statement of comprehensive income and quarterly consolidated statement of financial position for the 6 months ended September 30, 2022(2nd Quarter of FY2022), and are not complete set of interim consolidated financial statements required by IAS34 "Interim Financial Reporting." In addition, neither external audit nor review by independent auditors has been conducted.

The accompanying quarterly financial statements have been prepared in accordance to the Company's accounting policies identical to the IFRS-based consolidated financial statements for the period ended March 31, 2022 ("FY2021"). The accompanying quarterly consolidated financial statements are stated in the Company's functional currency, Japanese Yen, and unless otherwise stated, all financial information presented in million yen has been rounded to the nearest million.

(2) Significant changes in the scope of consolidation

Increase : -, Decrease : -

(3) Changes in accounting policies, accounting estimates and errors

N/A