

November 16, 2015

Daiwa Securities Group Inc.

Report Regarding Consolidated Liquidity Coverage Ratio

Situation of Soundness in Liquidity Management as of Second Quarter in Fiscal Year 2015

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 liquidity management as of second quarter in fiscal year 2015.

Quantitative disclosure of consolidated liquidity coverage ratio

(Unit :1 Million Yen,%)

Items		Second Quarter in Fiscal Year 2015		First Quarter in Fiscal Year 2015	
High Quality Liquid Assets (1)					
1	Total high quality liquid assets	2,025,224		1,910,271	
Cash Outflows (2)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,770,903	177,090	1,778,868	177,886
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,770,903	177,090	1,778,868	177,886
5	Unsecured wholesale funding	1,510,093	747,714	1,444,619	734,019
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	1,360,130	597,751	1,273,172	562,571
8	Unsecured debt	149,962	149,962	171,447	171,447
9	Secured funding	8,257,976	582,837	10,192,089	776,454
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	336,061	336,061	321,518	321,518
11	Outflows related to derivative exposures	325,516	325,516	311,033	311,033
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	10,544	10,544	10,485	10,485
14	Other contractual funding obligations	4,964,298	854,806	6,277,149	1,160,623
15	Other contingent funding obligations	136,278	135,770	128,889	128,373
16	Total cash outflows	2,834,280		3,298,876	
Cash Inflows (3)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	6,589,664	155,669	8,205,244	60,106
18	Inflows from fully performing exposures	461,863	460,657	419,624	419,255
19	Other cash inflows	5,090,382	894,883	5,894,716	1,209,657
20	Total cash inflows	1,511,210		1,689,019	
Consolidated Liquidity Coverage Ratio (4)					
21	Total high quality liquid assets	2,025,224		1,910,271	
22	Total net cash outflows	1,323,069		1,609,856	
23	Consolidated liquidity coverage ratio	153.0%		118.6%	
24	Number of data used for calculation of average value	3		3	

Qualitative disclosure of consolidated liquidity coverage ratio

1. Changes in the consolidated liquidity coverage ratio over previous quarter

Daiwa Securities Group Inc.'s (the group) total High Quality Liquid Asset (HQLA) was 2,025,224 million Yen. From the previous quarter, amount has increased by 114,953million Yen.

Cash outflow related to secured transaction was 582,837million Yen. From the previous quarter, amount has decreased by 193,617million Yen.

Cash outflow related to other contractual funding obligations was 854,806 million Yen. From the previous quarter, amount has decreased by 305,817 million Yen.

Other cash inflow was 894,883 million Yen. From the previous quarter, amount has decreased by 314,774 million Yen.

Total net cash out flow was 1,323,069million Yen. From the previous quarter, amount has decreased by 286,787million Yen.

As a result of above mentioned conditions, Daiwa Securities Group Inc.'s consolidated liquidity coverage ratio was 153.0%, the ratio has increased by 34.4 points.

2. Evaluation of the company's consolidated liquidity coverage ratio

The group sets forth "The Rule of Regulatory Liquidity Management", and not only maintains minimum liquidity coverage ratio, but also sets internal alert level, and periodically reviews as to wheatear the level of the ratio is above the internal alert level.

The group's consolidated liquidity coverage ratio is above the minimum requirement.

3. Composition of HQLA

There is no significant change in the composition of HQLA over previous quarter.

4. Other issues related to the consolidated liquidity coverage ratio.

There is no significant item for disclosure.

End