



4Q FY2015 Earnings Announcement

**April 28, 2016
Daiwa Securities Group Inc.**

This presentation may contain forward-looking statements about the Daiwa Securities Group. You can identify these statements by the fact that they do not relate strictly to historic or current facts. These statements discuss future expectations, identify strategies, contain projections of results of operations or of financial conditions or state other “forward-looking” information. These statements are based on currently available information and represent the beliefs of the management of the Daiwa Securities Group. These statements are subject to numerous risks and uncertainties that could cause the Daiwa Securities Group’s actual results, performance, achievements or financial condition to differ materially from those described or implied in the forward-looking statements. The Daiwa Securities Group undertakes no obligation to publicly update any forward-looking statements after the date of this presentation. These potential risks and uncertainties include, but are not limited to: competition within the financial services industries in Japan and overseas, our ability to adjust our business focus and to maintain profitable strategic alliances, volatile and sudden movements in the international securities markets, foreign exchange and global economic situations affecting the Daiwa Securities Group.

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Highlights (1-4Q / FY2015)

■ Affected by volatile market conditions since last August, net operating revenues and ordinary income decreased YoY.

- Net operating revenues: Y514.8 bil (-3.3% YoY), Ordinary income: Y165.1 bil (-10.5% YoY), Profit attributable to owners of parent company: Y116.8 bil (-21.3% YoY).
- Net operating revenues and ordinary income declined YoY, reflecting slowdown in the Chinese economy, and volatile market conditions such as plunge in oil prices and appreciation of the yen.

■ Contract amount of wrap accounts continued to remain at a high level.

- Total contract amount of wrap accounts for FY2015 exceeded Y600 bil, maintaining a high level since FY2014 (see p.13). Investment advisory and account management fees, which are wrap account related revenues, was Y20.4bil (+72.5 YoY).

■ Enhancement of Shareholder Returns

- Implementation of share repurchase program
(Period of share repurchase: Feb.17 to Mar. 9, 2016; Total number of shares repurchased: 27 mil shares; Total amount repurchased: Y18.5 bil)
- FY2015 dividend per share: 29 yen (interim: 17 yen, year-end: 12 yen). Annual dividend payout ratio will be 42.5%, which is higher than the FY2014 annual dividend payout ratio of 34.5%.

Summary (4Q / FY2015)

■ 4Q FY2015 Net operating revenues: Y 111.7 bil (-10.4% QoQ)

- ✓ Revenues for Global Markets in the Wholesale Division increased by 16.8% QoQ, led by FICC trading; on the other hand, revenues for Retail Division decreased by -14.4% QoQ, Asset Management Division by -7.4% QoQ, both affected by strong yen and drop in stock prices.

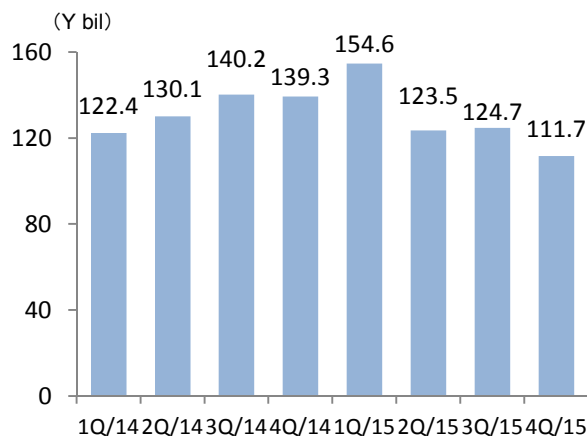
■ 4Q FY2015 Ordinary income: Y 28.6 bil (-24.6% QoQ)

- ✓ SG&A decreased by 1.1% to Y88.3 bil due to decline in personnel expenses, which did not fully cover decrease in revenues, resulting in decline in ordinary income by -24.6%.

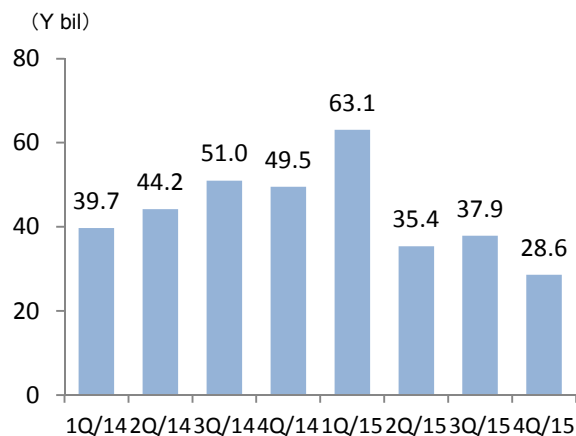
■ 4Q FY2015 Profit attributable to owners of parent company: Y21.3 bil (-19.1% QoQ)

- ✓ Annualized ROE was 6.9% (-1.5pt QoQ), BPS was Y720.86 (-Y13.27 QoQ)

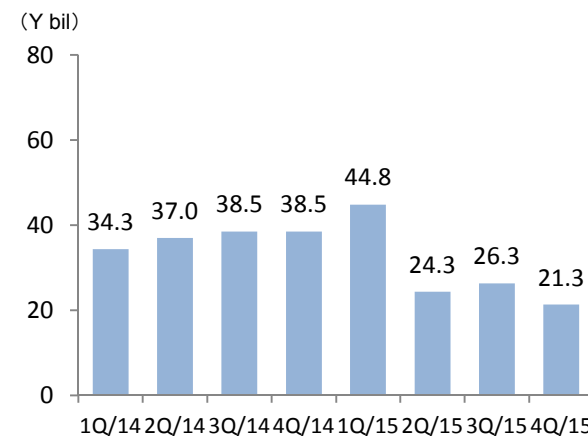
Net operating revenues



Ordinary income



Profit attributable to owners of parent company



Financial Summary

(Y mil)	FY2015		% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	3Q	4Q				
Operating revenues	153,616	150,579	-2.0%	659,396	653,711	-0.9%
Net operating revenues	124,799	111,772	-10.4%	532,220	514,815	-3.3%
SG&A	89,331	88,329	-1.1%	361,380	364,517	0.9%
Ordinary income	37,950	28,628	-24.6%	184,578	165,148	-10.5%
Profit (loss) attributable to owners of parent	26,354	21,311	-19.1%	148,490	116,848	-21.3%
Total assets	23,026,759	20,420,818		23,001,585	20,420,818	
Net assets	1,354,598	1,313,005		1,434,680	1,313,005	
Shareholders' equity*	1,261,870	1,219,831		1,238,657	1,219,831	
EPS (Y)	15.33	12.50		87.07	68.25	
BPS (Y)	734.13	720.86		725.27	720.86	
ROE (Annualized)	8.4%	6.9%		12.8%	9.5%	

* Shareholders' equity = Owners' equity + Accumulated other comprehensive income

FY2015 Proposed Dividend

Dividend per Share: 29 yen
(including 17 yen interim dividend)

Consolidated P/L Summary



(Y mil)	FY2014	FY2015				% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	4Q	1Q	2Q	3Q	4Q				
Operating revenues	175,454	191,389	158,126	153,616	150,579	-2.0%	659,396	653,711	-0.9%
Commision received	75,445	80,041	76,460	69,215	62,701	-9.4%	291,115	288,418	-0.9%
Net trading income	41,817	49,043	23,681	29,910	28,688	-4.1%	157,220	131,324	-16.5%
Net gain/loss on private equity and other securities	570	3,704	1,490	12,327	979	-92.1%	7,415	18,502	149.5%
Financial revenue	34,954	37,830	35,335	33,587	42,697	27.1%	125,934	149,451	18.7%
Other operating revenue	22,667	20,768	21,158	8,575	15,511	80.9%	77,710	66,014	-15.0%
Financial expenses	20,497	23,978	24,288	19,551	21,710	11.0%	80,070	89,530	11.8%
Other operating expenses	15,640	12,746	10,258	9,264	17,095	84.5%	47,105	49,366	4.8%
Net operating revenues	139,316	154,663	123,579	124,799	111,772	-10.4%	532,220	514,815	-3.3%
SG&A	92,918	95,574	91,281	89,331	88,329	-1.1%	361,380	364,517	0.9%
Operating income/loss	46,398	59,088	32,297	35,468	23,442	-33.9%	170,839	150,297	-12.0%
Non-operating income/loss	3,179	4,024	3,158	2,481	5,186	109.0%	13,738	14,851	8.1%
Ordinary income/loss	49,578	63,113	35,456	37,950	28,628	-24.6%	184,578	165,148	-10.5%
Extraordinary income/loss	264	2,813	343	3,701	-2,093	-	-2,662	4,764	-
Income/loss before income taxes	49,842	65,926	35,799	41,651	26,535	-36.3%	181,916	169,912	-6.6%
Total income taxes	8,937	19,636	11,421	10,651	5,226	-50.9%	27,444	46,935	71.0%
Profit (loss) attributable to owners of parent	38,522	44,836	24,347	26,354	21,311	-19.1%	148,490	116,848	-21.3%

**Net operating revenues : Y111.7 bil
(-10.4% QoQ)**

- Commission received was Y62.7bil (-9.4% QoQ)
- Due to the decrease in stock trading volume and number of underwriting deals, brokerage commission* and underwriting commission* were Y14.9 bil (-6.1% QoQ) and Y3.9 bil (-34.8% QoQ), respectively.
- M&A commission* rose to Y3.6 bil (+9.1% QoQ) with closings of both domestic and cross-border deals.
- Compared with the previous quarter, when an exit from existing large-scale investment contributed to revenues, Net gain on private equity and other securities fell to Y0.9 bil (-92.1% QoQ).
- Revenues for Daiwa Institute of Research Business Innovation and Daiwa Next Bank contributed to the rise in Other operating revenue to Y15.5 bil (+80.9% QoQ)

**Ordinary income : Y28.6 bil
(-24.6% QoQ)**

**Net income ** : Y21.3 bil
(-19.1% QoQ)**

* Breakdown of total commission received (See p.21)

** Net income: Profit attributable to owners of parent company

Consolidated

Breakdown of SG&A



(Y mil)	FY2014	FY2015				% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	4Q	1Q	2Q	3Q	4Q				
SG&A	92,918	95,574	91,281	89,331	88,329	-1.1%	361,380	364,517	0.9%
Trading related expenses	18,473	18,871	18,304	17,805	17,357	-2.5%	73,676	72,339	-1.8%
Personnel expenses	47,935	49,358	45,616	44,626	43,691	-2.1%	181,772	183,292	0.8%
Real estate expenses	9,550	9,287	9,686	9,235	9,151	-0.9%	37,009	37,360	0.9%
Office cost	6,521	6,501	6,578	7,002	6,689	-4.5%	25,444	26,771	5.2%
Depreciation	5,772	5,953	5,921	6,038	5,920	-2.0%	24,084	23,833	-1.0%
Taxes and dues	1,556	2,895	2,148	2,078	1,765	-15.0%	6,987	8,887	27.2%
Other	3,107	2,707	3,025	2,545	3,753	47.5%	12,405	12,032	-3.0%

SG&A :

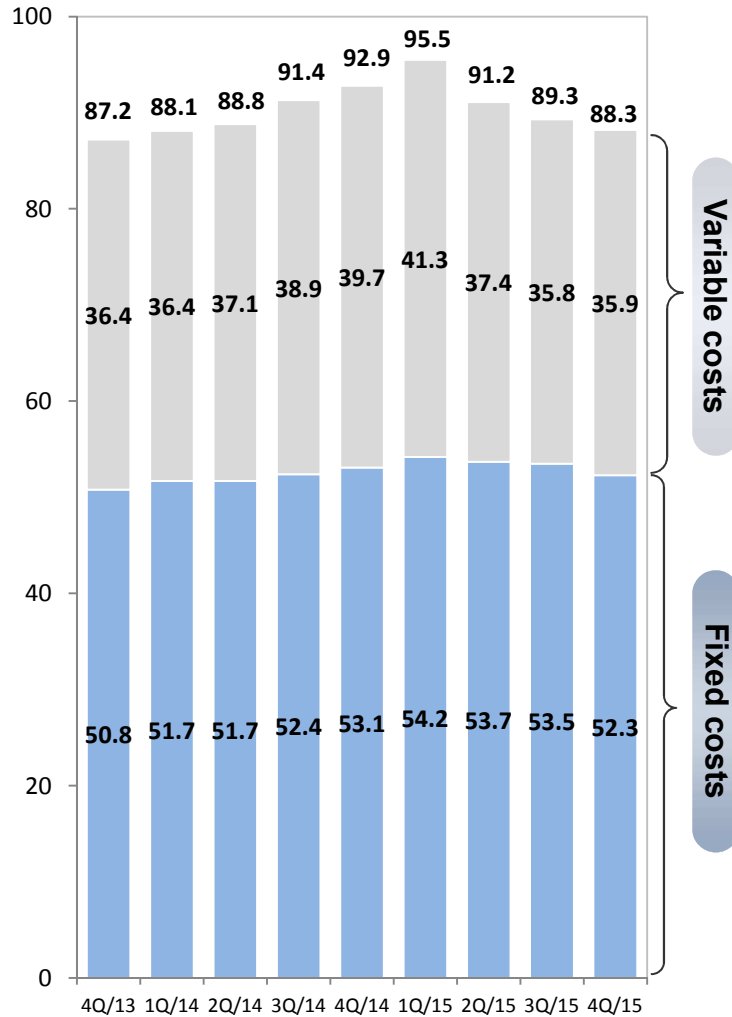
Y88.3 bil
(-1.1% QoQ)

- Trading related expenses decreased to Y17.3 bil (-2.5% QoQ), mainly because the decline in the average AUM of Daiwa AM lowered commission paid to distribution companies.
- Personnel expenses declined to Y43.6 bil (-2.1% QoQ) mainly due to a decrease in bonus.
- Real estate expenses was Y9.1 bil (-0.9% QoQ) and depreciation cost was Y5.9 bil (-2.0% QoQ), both remaining flat.
- Office cost was Y6.6 bil (-4.5% QoQ) due to a decrease in office expenses.

Consolidated Cost Structure



(Y bil)



(Y bil)	FY2013		FY2014					FY2015				
	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q
Total SG&A	87.2	357.3	88.1	88.8	91.4	92.9	361.3	95.5	91.2	89.3	88.3	364.5
Variable costs	36.4	152.3	36.4	37.1	38.9	39.7	152.2	41.3	37.4	35.8	35.9	150.5
Trading related expenses	17.7	74.3	17.8	18.5	18.7	18.4	73.6	18.8	18.3	17.8	17.3	72.3
Advertising expenses	1.9	8.2	1.7	1.7	2.0	2.0	7.5	1.7	1.9	2.0	2.4	8.1
Bonus and others	13.6	57.1	12.8	13.1	14.6	15.5	56.0	16.9	13.5	12.7	12.3	55.5
Overtime, part-time	2.0	8.3	2.2	2.1	2.3	2.2	9.0	2.3	2.2	2.3	2.1	9.1
Fixed costs	50.8	205.0	51.7	51.7	52.4	53.1	209.1	54.2	53.7	53.5	52.3	213.9
Personnel expenses	27.7	109.9	28.1	28.4	28.8	29.7	115.2	29.6	29.4	29.2	28.9	117.3
Real estate expenses	9.2	36.2	9.2	9.1	9.0	9.5	37.0	9.2	9.6	9.2	9.1	37.3
Depreciation	6.1	26.5	6.0	6.1	6.1	5.7	24.0	5.9	5.9	6.0	5.9	23.8
Office expenses	5.7	23.6	6.0	5.8	6.1	6.2	24.2	6.1	6.2	6.6	6.3	25.4
Taxes and dues	1.4	6.6	1.8	1.7	1.8	1.5	6.9	2.8	2.1	2.0	1.7	8.8

Consolidated Balance Sheet

Consolidated Balance Sheet (March 31, 2016)

(Y bil)

Current assets	19,851	(-2,339)	Current liabilities	16,827	(-2,526)
Cash and deposits	3,334	(349)	Trading products	5,300	(-713)
Short-term investment securities	2,091	(-538)	Trading securities and other	2,315	(-1,058)
Trading products	7,501	(-803)	Stocks, convertible bonds	132	(-57)
Trading securities and other	4,017	(-1,175)	Bonds	2,165	(-883)
Stocks, Convertible bonds	385	(-365)	CD/CP and others	17	(-117)
Bonds	2,851	(-823)	Derivatives	2,985	(345)
Beneficiary certificates	151	(-59)	Loans payable secured by securities	5,901	(-1,651)
CD/CP and others	627	(73)	Deposits for banking business	2,928	(182)
Derivatives	3,483	(372)	Short-term loans payable	820	(-191)
Operational investment securities	116	(-3)	Commercial papers	137	(-250)
(after allowance for possible investment losses)			Current portion of bonds	232	(-32)
Daewa PI Partners + Daewa Securities SMBC PI	108	(-2)			
Daiwa Corporate Investment	8	(-1)	Non-current liabilities	2,275	(66)
Loans secured by securities	5,250	(-1,478)	Bonds payable	1,204	(25)
Non-current assets	569	(-241)	Long-term loans payable	1,004	(58)
Property, plant and equipment	124	(-333)	Total liabilities	19,107	(-2,459)
Intangible assets	84	(7)	Net assets	1,313	(-121)
Investments and other assets	359	(84)	Owners' equity	1,133	(46)
Investment securities	324	(82)	Accumulated other comprehensive income	86	(-65)
Listed stocks	161	(-6)	Non-controlling interests	84	(-103)
Unlisted stocks	16	(-4)			
Other	146	(93)			
Total Assets	20,420	(-2,580)	Total liabilities and net assets	20,420	(-2,580)

Total assets: Y20.4 tri
Net assets: Y1.3 tri
Shareholders' equity:** Y1.2 tri

- 89.0% of total assets have high liquidity*

* Cash and deposits + Short-term investment securities + Trading products + Loans secured by securities

- Shareholders' equity** decreased by Y18.8 bil from March 31, 2015 to Y1.2 tri

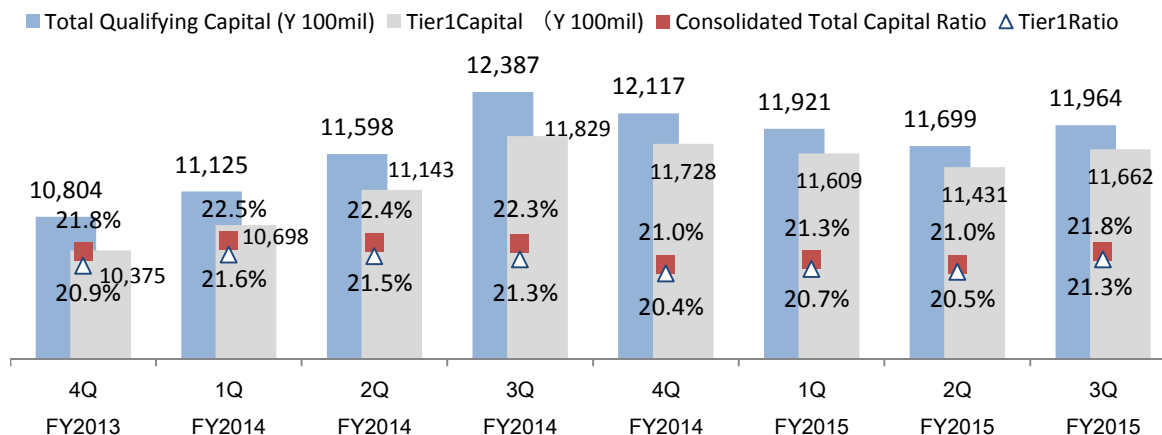
** Shareholders' equity = Owners' equity + Accumulated other comprehensive income

Note: Figures in parentheses indicate changes from March 31, 2015

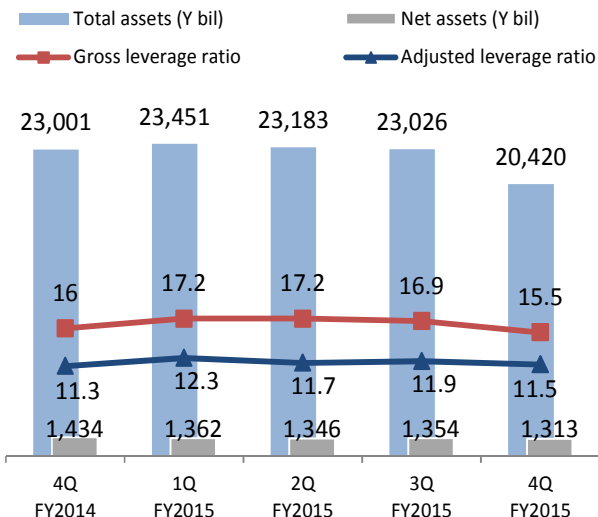
Consolidated Financial Management



Consolidated Capital Adequacy Ratio (Basel III)



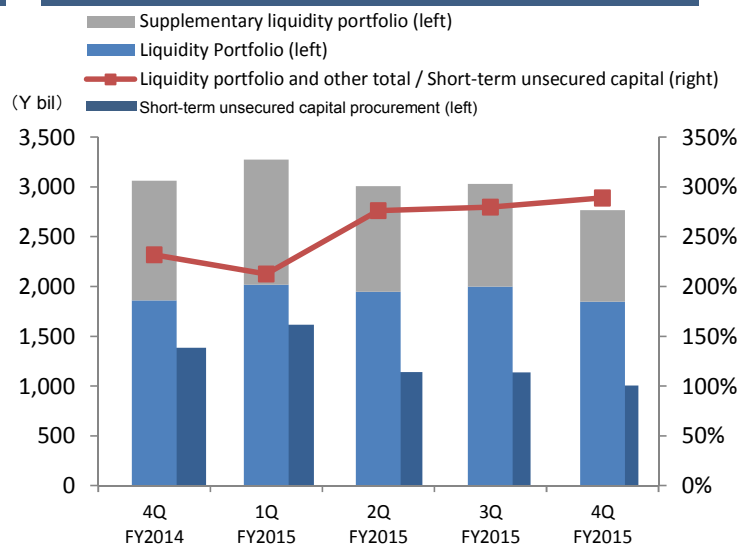
【Balance Sheet】 Leverage Ratio



* Gross leverage ratio: total assets / net assets

**Adjusted leverage ratio: (total assets-assets related to cash forward transaction & repo trading) / net assets

Liquidity Portfolio



【Regulatory Capital (Basel III)】

(As at December 31, 2015)

- Consolidated Total Capital Ratio : 21.8%
- Consolidated Tier1 Capital Ratio : 21.3%
- Consolidated Common Equity Tier1 Capital Ratio : 20.9%
- Consolidated Leverage Ratio : 5.26%

【Regulatory Liquidity (Basel III)】

(End of month average Jan-Mar, 2016)

- Consolidated Liquidity Coverage Ratio : 156.2 %

【Balance Sheet】

- Gross leverage* : 15.5 x
- Adjusted leverage ratio** : 11.5 x

【Liquidity】

- Liquidity portfolio : Y1.84 tri
- Supplementary liquidity portfolio : Y919 bil

※ Figures are as at the end of each quarter.

Segment Information

(Y mil)	Net operating revenues							
	FY2015				% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	1Q	2Q	3Q	4Q				
Retail	64,631	57,081	51,839	44,371	-14.4%	232,033	217,922	-6.1%
Wholesale	57,174	38,468	38,663	43,709	13.1%	180,568	178,014	-1.4%
<i>Global Markets</i>	47,546	28,670	30,670	35,809	16.8%	142,601	142,695	0.1%
<i>Global Investment Banking</i>	9,628	9,798	7,993	7,899	-1.2%	37,966	35,318	-7.0%
Asset Management*	15,488	12,074	11,925	11,040	-7.4%	55,140	50,528	-8.4%
Investments	4,234	1,712	12,626	1,156	-90.8%	8,351	19,730	136.2%
Other/Adjustments	13,134	14,242	9,745	11,495		56,126	48,618	
Consolidated total	154,663	123,579	124,799	111,772	-10.4%	532,220	514,815	-3.3%

(Y mil)	Ordinary income							
	FY2015				% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	1Q	2Q	3Q	4Q				
Retail	24,263	17,942	13,545	5,328	-60.7%	77,756	61,080	-21.4%
Wholesale	24,027	5,588	6,430	12,832	99.5%	52,888	48,878	-7.6%
<i>Global Markets</i>	21,960	3,838	6,718	13,539	101.5%	44,878	46,057	2.6%
<i>Global Investment Banking</i>	2,066	1,749	-287	-707	-	8,009	2,821	-64.8%
Asset Management*	9,260	7,536	7,201	5,991	-16.8%	32,142	29,990	-6.7%
Investments	3,671	1,168	11,978	579	-95.2%	6,506	17,397	167.4%
Other/Adjustments	1,889	3,219	-1,205	3,897		15,284	7,801	
Consolidated total	63,113	35,456	37,950	28,628	-24.6%	184,578	165,148	-10.5%

※Figures calculated based on managerial accounting of each Group companies.

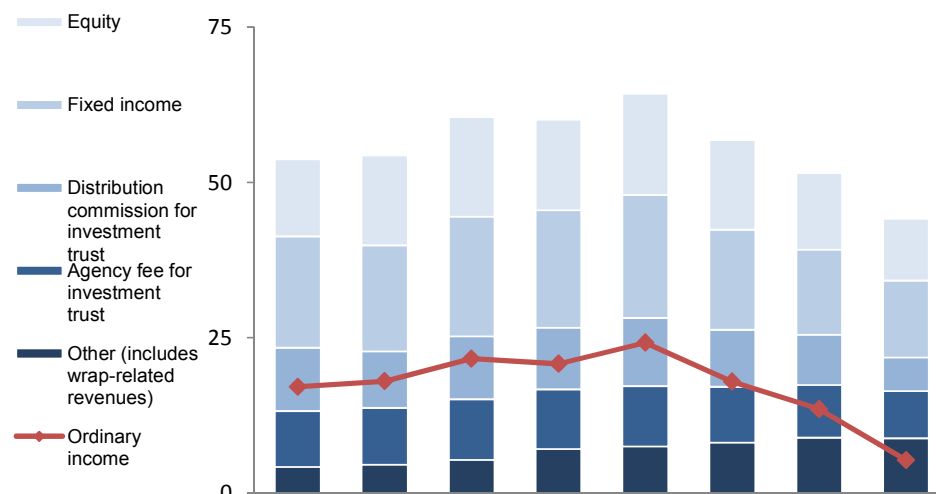
* Since Daiwa Office Investment Corporation changed from consolidated subsidiary to equity-method affiliated company, only equity in earnings of the company has been recorded in the ordinary income of Asset Management Division since 2Q/FY2015..

Retail Division

(Y mil)	FY2015 4Q	% Change vs 3Q/FY15	FY2015	% Change vs FY14
Net operating revenues	44,371	-14.4%	217,922	-6.1%
Ordinary income	5,328	-60.7%	61,080	-21.4%

- Due to a decline in stock trading volume and number of underwriting deals, equity revenues were down -19.3% QoQ.
- Despite increase in sales of domestic bonds, sales of foreign bonds decreased, which resulted in the drop of fixed income revenues by 9.4% QoQ.
- Distribution commission and agency fee for investment trust fell by 33.5% and 11.1% respectively, with the decline in both sales and assets under custody of investment trusts.
- Other revenues, which includes wrap account service related revenues, remained steady QoQ as investment advisory and account management fees* increased by 0.3%. (* See p.21)

Net operating revenues and ordinary income

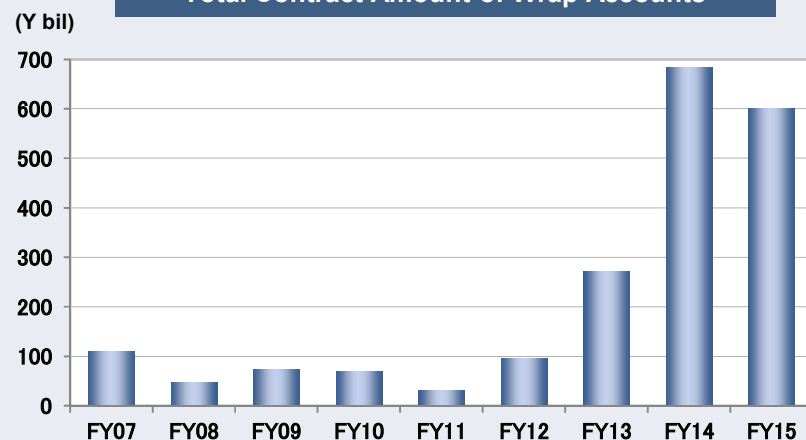


(Y bil)	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Equity	12.4	14.4	16.0	14.6	16.3	14.4	12.3	9.9
Fixed income	17.9	18.1	19.3	18.9	19.8	16.1	13.7	12.4
Distribution commission for investment trust	10.2	9.9	10.1	9.9	11.0	9.2	8.1	5.4
Agency fee for investment trust	9.0	9.4	9.8	9.6	9.7	9.0	8.5	7.6
Other (includes wrap-related revenues)	4.2	4.8	5.3	7.1	7.5	8.1	8.9	8.8
Net operating revenues	53.9	56.8	60.7	60.4	64.6	57.0	51.8	44.3
Ordinary income	17.1	18.0	21.6	20.8	24.2	17.9	13.5	5.3

【Wrap Accounts】

- Despite the decline in contract amount QoQ, the total contract amount for FY2015 has maintained a high level since FY2014.
- “Daiwa Fund Wrap” (offered since FY2007), is a service which aims to mitigate price fluctuation risks by international portfolio diversification; as such, it is an effective investment vehicle at times of market turmoil. We have focused on proposing the service to customers as a core strategy of our wealth management business.

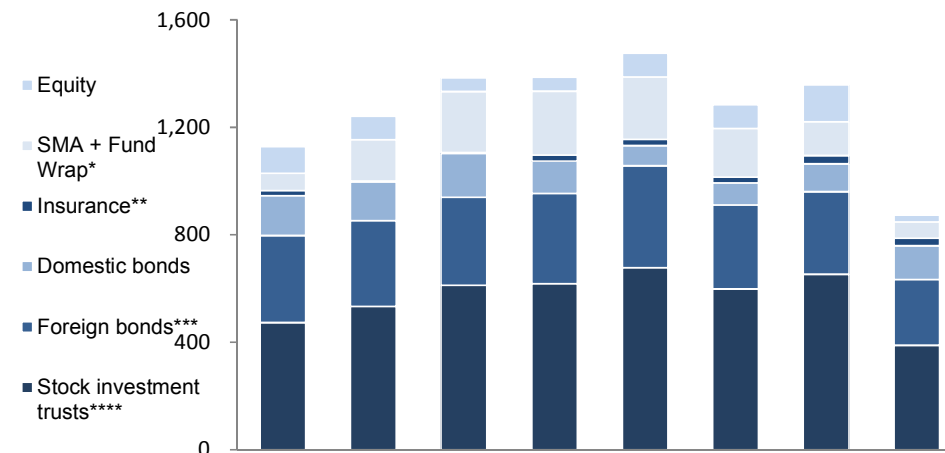
Total Contract Amount of Wrap Accounts



【Net Asset Inflow】

- Although the reduction of deposit interest rate at Daiwa Next Bank led to some increase in withdrawals due to the introduction of negative interest rate by the BOJ, net asset inflow for 4Q was +Y90.6bil, maintaining a similar level as in the previous quarter. (See p.28)

Sales and distribution amount by product



(Y bil)	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Equity	98.4	86.6	50.8	51.5	87.8	89.0	136.9	24.8
SMA + Fund Wrap*	64.0	153.7	228.0	238.0	231.8	180.7	125.9	61.5
Insurance**	19.6	3.8	2.8	23.0	23.5	20.8	30.8	27.9
Domestic bonds	147.6	144.9	162.7	119.8	74.5	83.0	103.8	125.2
Foreign bonds***	324.7	318.5	327.8	335.2	379.6	312.5	306.5	244.9
Stock investment trusts****	472.9	533.6	611.7	618.5	677.2	598.0	653.3	388.4

*Total contract amount of Daiwa fund wrap and Daiwa SMA

**Insurance include pension insurance, life insurance and business insurance

***Foreign bonds include yen-denominated bonds

****Stock investment trusts include switching transactions between funds

Wholesale Division Global Markets

(Y mil)	FY2015 4Q	% Change vs 3Q/FY15	FY2015	% Change vs FY14
Net operating revenues	35,809	16.8%	142,695	0.1%
Ordinary income	13,539	101.5%	46,057	2.6%

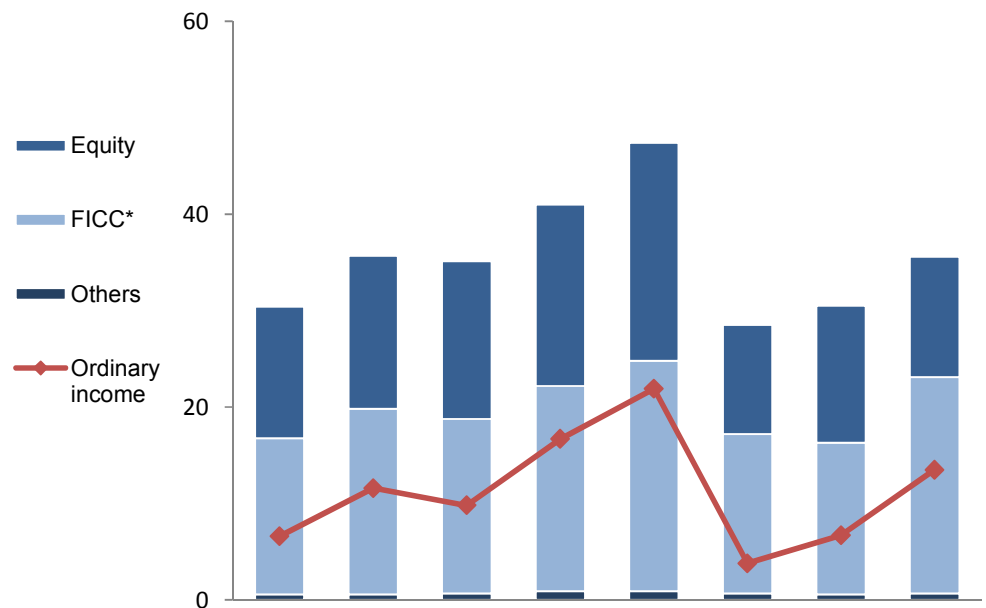
【Equity】

- Growing concerns for slowdown in the global economy, decline in stock prices since the introduction of negative interest rate policy affected client flow and trading revenues, which led equity revenues to decline by 11.5% QoQ.

【FICC*】

- FICC revenues rose by 42.5% QoQ, mainly driven by increase in trading revenues from JGBs, following the introduction of negative interest rate policy where interest rate sharply declined and market volatility increased.

Net operating revenues and ordinary income



(Y bil)	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Equity	13.6	15.9	16.3	18.8	22.6	11.3	14.2	12.5
FICC*	16.2	19.2	18.1	21.3	23.9	16.5	15.7	22.4
Others	0.6	0.6	0.7	0.9	0.9	0.7	0.6	0.7
Net operating revenues	30.5	35.7	35.1	41.1	47.5	28.6	30.6	35.8
Ordinary income	6.6	11.6	9.8	16.7	21.9	3.8	6.7	13.5

*FICC: Fixed Income, Currency and Commodities

Wholesale Division Global Investment Banking

(Y mil)	FY2015 4Q	% Change vs 3Q/FY15	FY2015	% Change vs FY14
Net operating revenues	7,899	-1.2%	35,318	-7.0%
Ordinary income	-707	-	2,821	-64.8%

【Equity】

- As the number of deals and issue amount declined QoQ, REIT-related deals contributed to revenues.

<Selected lead managed deals>

ORIX JREIT Inc.	REIT PO	Y16.6 bil
Japan Hotel REIT Investment Corporation	REIT PO	Y15.2 bil

【Debt】

- By capturing change in the market environment, lead managed deals such as publicly offered 60-year subordinated bond, the first of its kind in the insurance industry, issued by Mitsui Sumitomo Insurance Company, Limited.

<Selected lead managed deals>

Mitsui Sumitomo Insurance Company (60 yrs)	SB (subordinated)	Total Y150.0 bil
Japan Housing Finance Agency (35 yrs)	RMBS	Y171.7 bil
Nederlandse Waterschapsbank (10 yrs)	Benchmark dollar bond	USD1.0 bil

【M&A】

- Completed a number of transactions involving management integration; in overseas, executed a deal by joint effort with our business alliance partner, Affin Hwan Investment Bank.

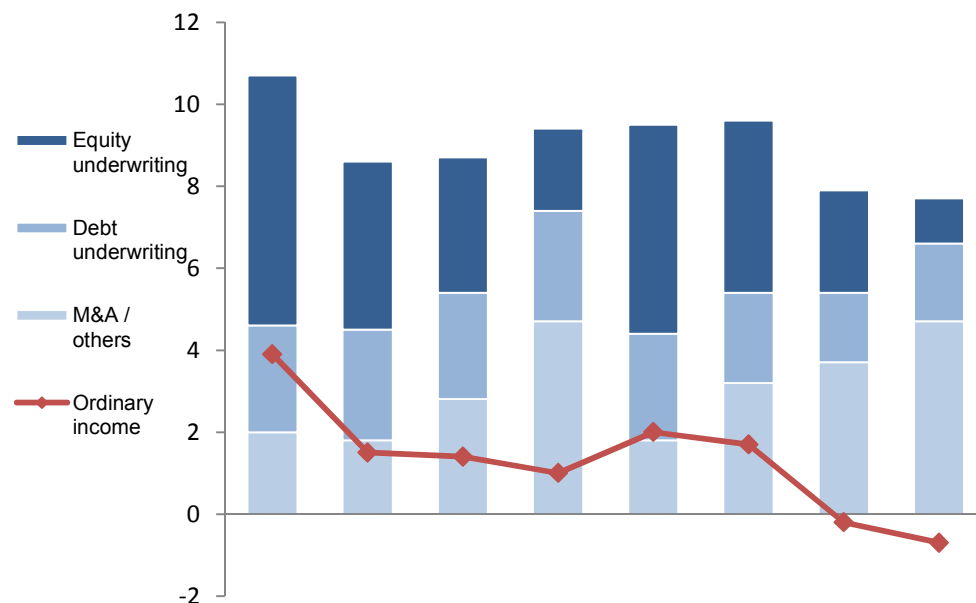
<Selected deals>

Business alliance between SG HOLDINGS CO., LTD. and Hitachi Transport System Ltd.

Merger of MITSUMI ELECTRIC CO., LTD. and MINEBEA CO., LTD.

Sale by Brahim's Holdings (Malaysia) of its subsidiary

Net operating revenues and ordinary income



(Y bil)	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Equity underwriting	6.1	4.1	3.3	2.0	5.1	4.2	2.5	1.1
Debt underwriting	2.6	2.7	2.6	2.7	2.6	2.2	1.7	1.9
M&A / others	2.0	1.8	2.8	4.7	1.8	3.2	3.7	4.7
Net operating revenues	10.8	8.7	8.7	9.5	9.6	9.7	7.9	7.8
Ordinary income	3.9	1.5	1.4	1.0	2.0	1.7	-0.2	-0.7

Asset Management Division

(Y mil)	FY2015 4Q	% Change vs 3Q/FY15	FY2015	% Change vs FY14
Net operating revenues	11,040	-7.4%	50,528	-8.4%
Ordinary income	5,991	-16.8%	29,990	-6.7%

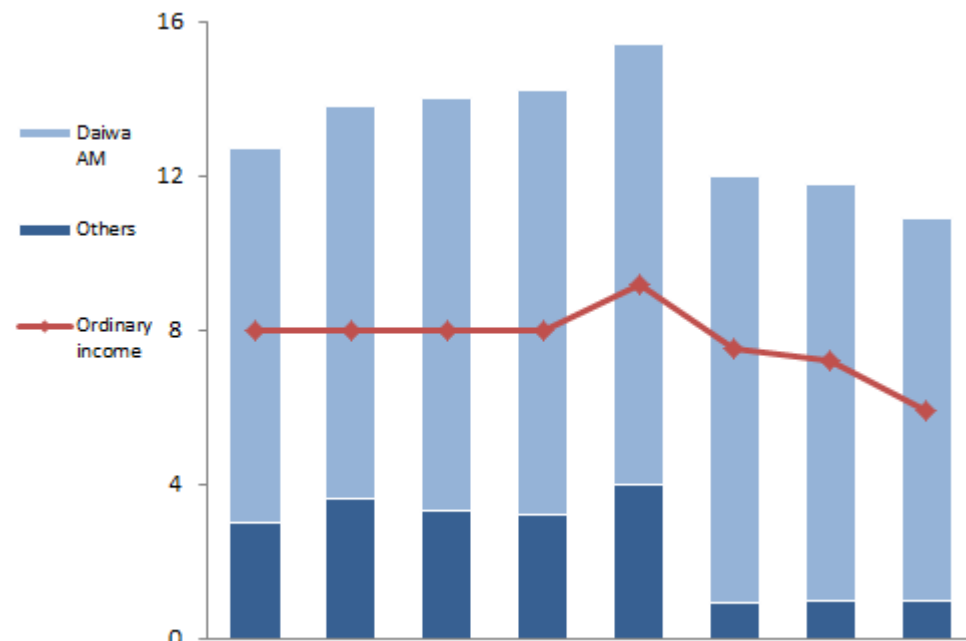
【Daiwa Asset Management】

- Management fees fell by 8.3% QoQ, as the strong yen and decline in stock prices from Jan. to Feb. affected assets under management to decline.
- After the announcement of the negative interest rate policy, Daiwa Asset Management stopped accepting new investments for “Daiwa MMF”, “Medium Term Treasury Fund”, and “Free Financial Fund”, which led to outflow of assets for bond investment trusts, while stock investment trusts had inflow of assets.

【Others】

- Management fees for Daiwa Real Estate Asset Management remained steady and its assets under management continued to grow.

Net operating revenues and ordinary income



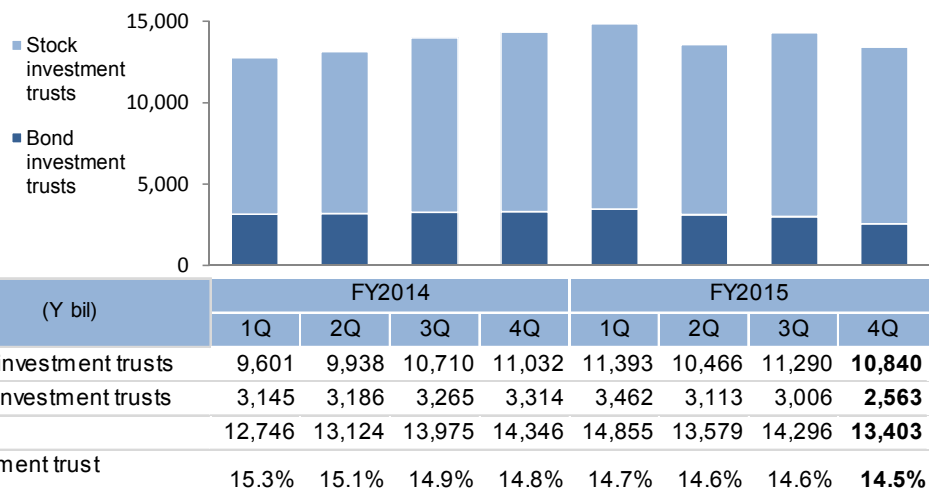
(Y bil)	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Daiwa AM	9.7	10.2	10.7	11.0	11.4	11.1	10.8	9.9
Others	3.0	3.6	3.3	3.2	4.0	0.9	1.0	1.0
Net operating revenues	12.7	13.8	14.1	14.3	15.4	12.0	11.9	11.0
Ordinary income	8.0	8.0	8.0	8.0	9.2	7.5	7.2	5.9

※'Others' includes Daiwa Fund Consulting, and Daiwa Real Estate Asset Management.

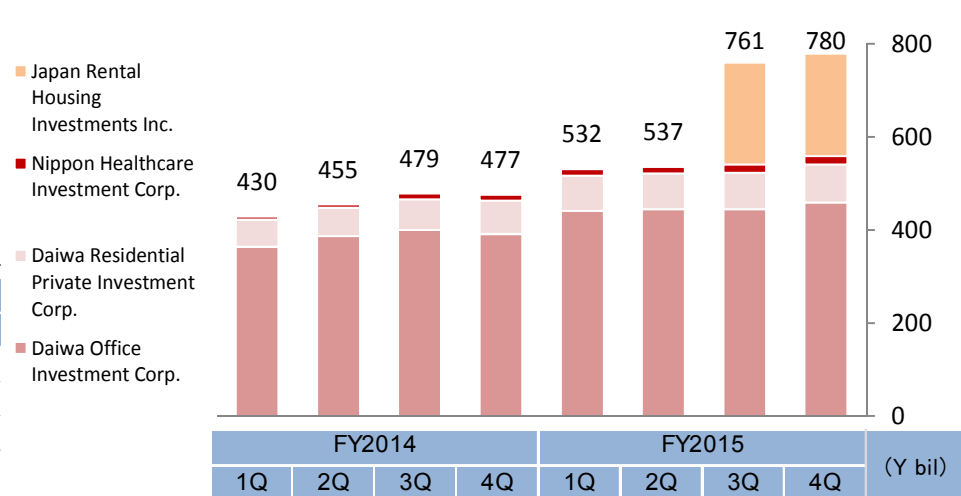
※Equity in earnings of affiliates is included in non-operating revenues

Asset Management Division Assets Under Management

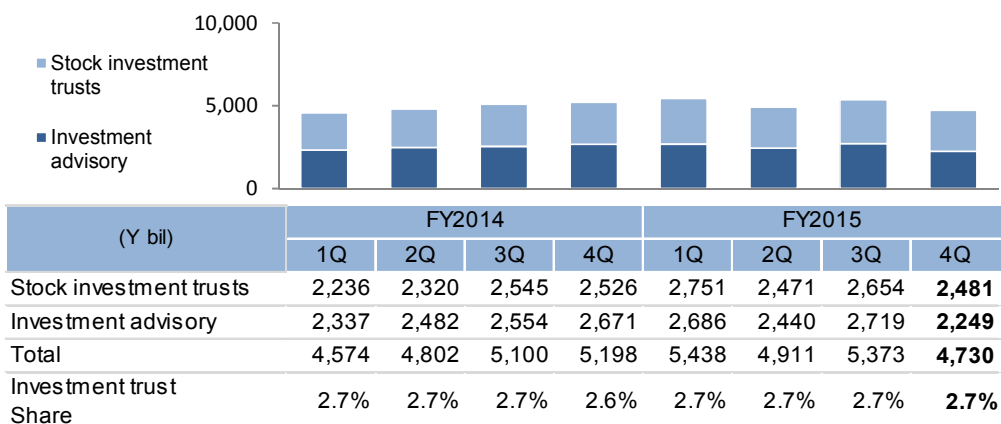
Daiwa Asset Management AUM (Investment Trusts)



Daiwa Real Estate Asset Management AUM



Daiwa SB Investments AUM (Investment Trusts & Investment Advisory)

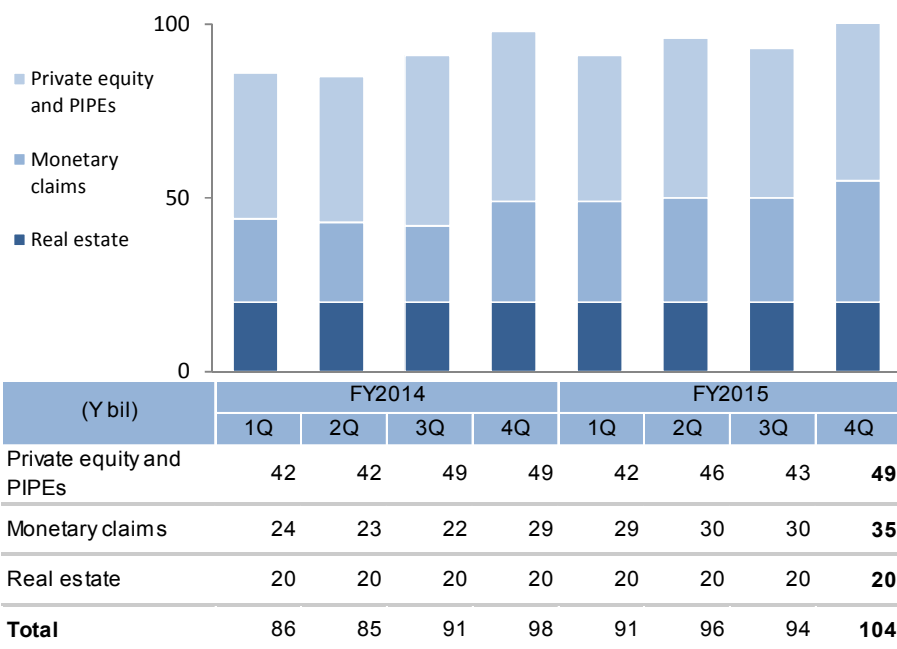


- The combined AUM share of investment trusts for Daiwa Asset Management and Daiwa SB Investments was 17.2%.
- Daiwa Asset Management announced that it plans early redemption of “Daiwa MMF”, “Medium Term Treasury Fund”, and “Free Financial Fund” in FY2016, as stable fund management became difficult due to lowered liquidity in the money market, after the introduction of the negative interest rate policy by the BOJ.
- Daiwa Office Investment Corp. acquired “Nikko Building” (closing date: Mar. 24, date of transfer: Mar. 29, purchase value: Y13.7 bil)

Investment Division

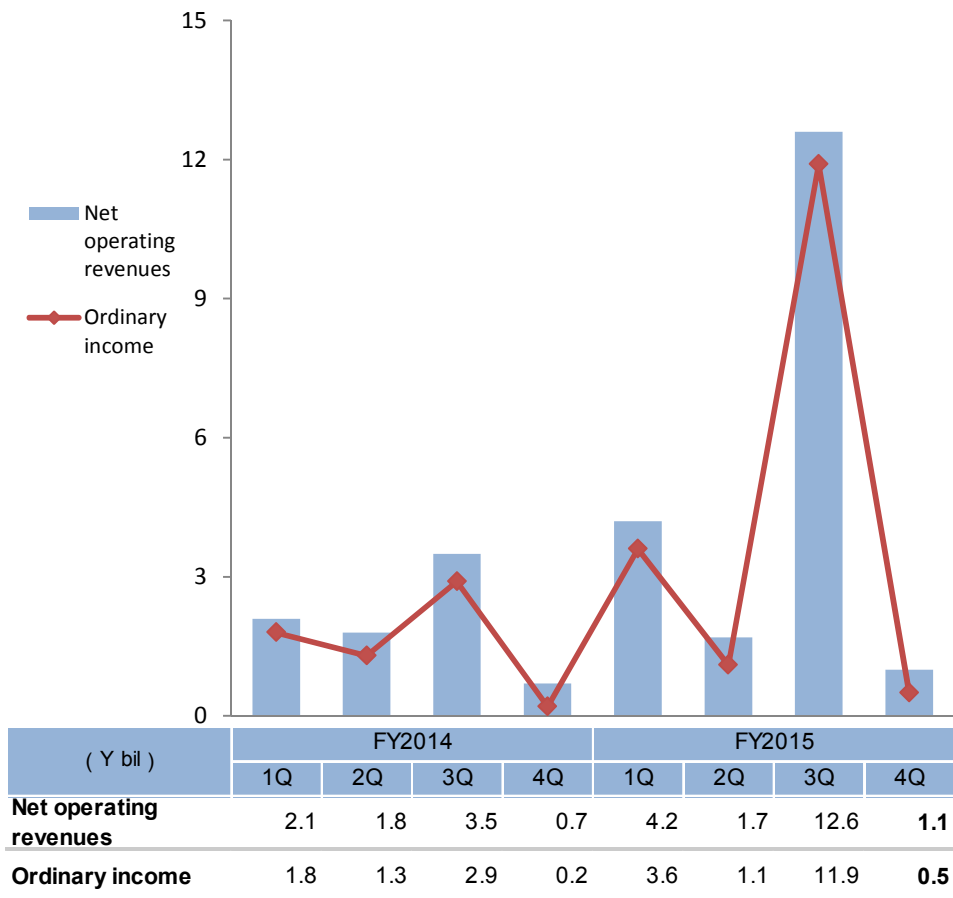
(Y mil)	FY2015 4Q	% Change vs 3Q/FY15	FY2015	% Change vs FY14
Net operating revenues	1,156	-90.8%	19,730	136.2%
Ordinary income	579	-95.2%	17,397	167.4%

Principal investment values



※ Principal investment values are the sum of Daiwa PI Partners and Daiwa Securities SMBCPI
 ※ PIPEs: Private Investment in Public Equities
 ※ All figures are as at the end of each quarter

Net operating revenues and ordinary income



DIR Group, Daiwa Next Bank and Overseas Operation

Ordinary Income



(Y mil)	FY2014	FY2015				% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	4Q	1Q	2Q	3Q	4Q				
DIR Group*	3,085	2,000	2,646	2,939	5,230	77.9%	7,966	12,816	60.9%
Daiwa Next Bank	2,699	3,839	3,631	835	1,282	53.5%	13,625	9,588	-29.6%
Overseas operation Total	-127	196	-692	-3,474	-714	-	-3,904	-4,684	-
Europe	-712	-804	404	-2,175	-665	-	-2,187	-3,240	-
Asia /Oceania	-695	-353	-1,285	-1,749	-742	-	-2,768	-4,130	-
Americas	1,279	1,354	188	450	693	53.8%	1,050	2,686	155.8%

DIR Group*

- Ordinary income increased by 77.9% QoQ to Y5.2 bil, with the increase in orders for system development project.

Daiwa Next Bank

- Ordinary income was Y1.2 bil (+53.5% QoQ) mainly due to portfolio rebalancing.

Overseas Operation

- For Europe, though FICC revenues continued to be sluggish, its loss decreased as the M&A business was strong.
- Loss in Asia/Oceania declined due to cost reduction of low-performing businesses.
- Ordinary income for Americas increased by +53.8% as equity revenues grew and its FICC business continued to be solid.

* DIR Group includes Daiwa Institute of Research Holdings, Daiwa Institute of Research, and Daiwa Institute of Research Business Innovation (Excluding in-group transactions and dividend from subsidiaries)

Reference

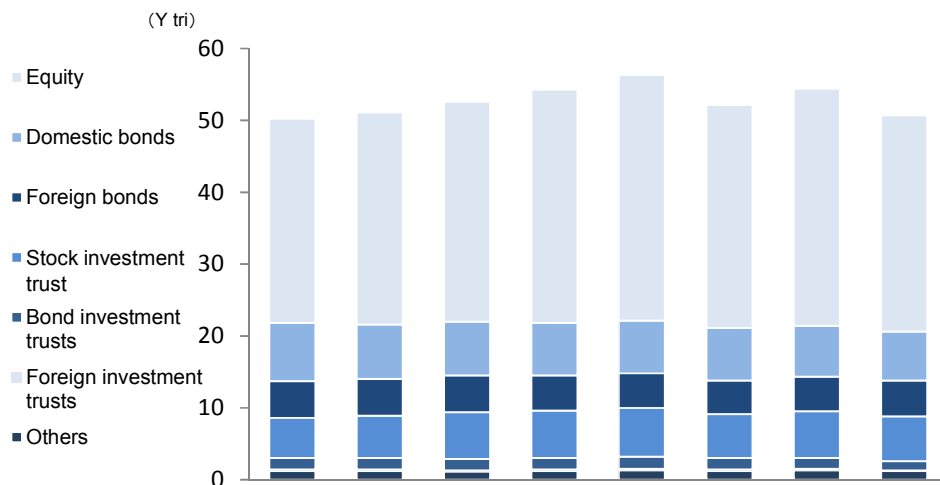
Breakdown of commission

(Y mil)	FY2014	FY2015				% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	4Q	1Q	2Q	3Q	4Q				
Total commission	75,445	80,041	76,460	69,215	62,701	-9.4%	291,115	288,418	-0.9%
Brokerage commission	19,271	21,035	18,417	15,922	14,950	-6.1%	69,950	70,325	0.5%
Underwriting commission	6,487	9,031	9,560	6,031	3,930	-34.8%	37,553	28,553	-24.0%
Distribution commission	10,025	11,226	9,439	8,237	5,839	-29.1%	41,051	34,743	-15.4%
Other commission	39,660	38,748	39,043	39,023	37,980	-2.7%	142,559	154,796	8.6%
Investment advisory and account management fees	4,218	4,764	5,173	5,273	5,287	0.3%	11,879	20,497	72.5%
Insurance sales commission	668	658	915	1,577	1,573	-0.2%	1,743	4,724	170.9%
M&A commission	3,935	1,503	2,914	3,354	3,658	9.1%	10,315	11,431	10.8%
Management fee	23,553	23,899	22,814	21,982	20,154	-8.3%	90,924	88,850	-2.3%
Other	7,284	7,922	7,225	6,836	7,307	6.9%	27,695	29,291	5.8%

Customer Assets, Deposit Balance & Accounts



Daiwa Securities assets under custody

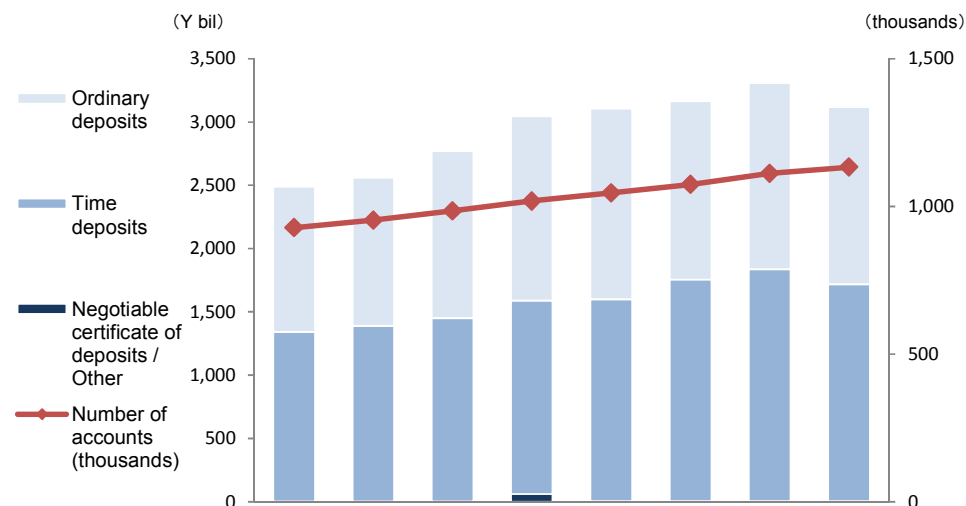


(Y tri)	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Equity	28.4	29.5	30.6	32.5	34.2	31.0	33.0	30.1
Domestic bonds	8.1	7.6	7.5	7.3	7.3	7.3	7.1	6.8
Foreign bonds	5.1	5.1	5.1	4.9	4.8	4.7	4.8	5.0
Stock investment trusts	5.6	5.9	6.5	6.6	6.8	6.1	6.5	6.2
Bond investment trusts	1.6	1.6	1.6	1.6	1.7	1.6	1.5	1.3
Foreign investment trusts	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Others	1.2	1.2	1.1	1.2	1.3	1.2	1.3	1.2
Total	50.5	51.3	52.9	54.6	56.6	52.4	54.5	51.0

※All figures are as at the end of each quarter.

※ ETFs are recorded in 'Equity'.

Daiwa Next Bank Deposit balance & number of accounts



(Y bil)	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Ordinary deposits	1,147	1,169	1,321	1,455	1,508	1,410	1,470	1,401
Time deposits	1,340	1,387	1,447	1,528	1,594	1,749	1,830	1,711
Negotiable certificate of deposits / Other	2	3	3	62	4	6	8	8
Deposit balance	2,491	2,560	2,772	3,047	3,107	3,166	3,309	3,121
Number of accounts (thousands)	928	953	985	1,018	1,046	1,074	1,112	1,133

※All figures are as at the end of each quarter.

Equity & FICC Income: Consolidated Trading Gain/Loss

【Managerial accounting basis】

(Y bil)	FY2015 4Q	% Change vs 3Q/FY15	FY2015	% Change vs FY14
Equity	7.0	-22.2%	38.0	-26.9%
FICC*	33.0	17.9%	134.0	1.5%
Total	40.0	8.1%	172.0	-6.5%

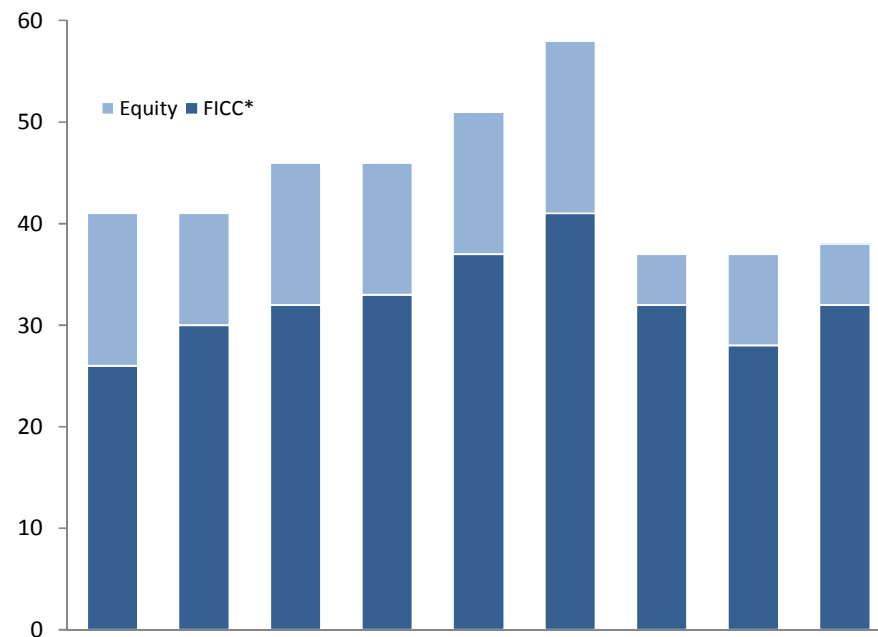
<Reference>

Financial accounting basis:
Net gain/loss on trading + Net financial income

(Y mil)	FY2015 4Q	% Change vs 3Q/FY15	FY2015	% Change vs FY14
Equity	4,249	-36.1%	23,430	-5.5%
Bond and forex	24,439	5.0%	107,893	-18.5%
Net financial income	20,986	49.5%	59,921	30.7%
Total	49,675	13.0%	191,245	-5.8%

*FICC: Fixed Income, Currency and Commodities

Consolidated trading gain / loss
(Managerial accounting basis)



(Y bil)	FY2013	FY2014				FY2015			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Equity	15	11	14	13	14	17	5	9	7
FICC*	26	30	32	33	37	41	32	28	33
Total	41	41	46	46	51	58	37	37	40

Financial Summary I

(Y mil)	FY2014	FY2015				% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	4Q	1Q	2Q	3Q	4Q				
Operating revenues	100,775	112,934	88,119	86,225	81,878	-5.0%	386,659	369,158	-4.5%
Commission received	49,186	53,512	49,384	45,103	39,290	-12.9%	190,566	187,290	-1.7%
Brokerage commission	14,353	15,512	13,632	11,638	11,094	-4.7%	51,912	51,877	-0.1%
Stock and others	13,638	14,631	12,606	10,905	10,225	-6.2%	50,035	48,369	-3.3%
Underwriting commission	6,079	7,308	7,385	5,878	3,599	-38.8%	28,388	24,171	-14.9%
Equity	2,656	4,423	4,643	3,466	1,504	-56.6%	14,324	14,038	-2.0%
Bond and others	3,423	2,884	2,742	2,411	2,094	-13.1%	14,063	10,133	-27.9%
Distribution commission	9,565	10,812	9,105	7,916	5,605	-29.2%	42,367	33,440	-21.1%
Investment trust	9,424	10,659	8,902	7,658	5,162	-32.6%	41,417	32,383	-21.8%
Other commissions	19,188	19,879	19,260	19,670	18,990	-3.5%	67,899	77,800	14.6%
Agency fee and others	10,294	10,443	9,757	9,191	8,187	-10.9%	40,098	37,580	-6.3%
Investment advisory and account management fees	4,218	4,764	5,173	5,273	5,287	0.3%	11,879	20,497	72.5%
Insurance sales commission	668	658	915	1,577	1,573	-0.2%	1,743	4,724	170.9%
M&A commission	1,224	905	646	1,020	1,067	4.6%	3,827	3,640	-4.9%
Net trading income/loss	40,657	48,950	26,329	31,838	31,935	0.3%	156,815	139,053	-11.3%
Equity	5,657	12,230	331	7,614	2,585	-66.0%	27,043	22,760	-15.8%
Bond and forex	34,999	36,719	25,998	24,223	29,350	21.2%	129,772	116,292	-10.4%
Financial revenues	10,931	10,471	12,405	9,284	10,653	14.7%	39,277	42,814	9.0%
Financial expenses	3,915	6,149	4,255	5,765	4,765	-17.3%	20,067	20,936	4.3%
Net operating revenues	96,859	106,784	83,864	80,459	77,113	-4.2%	366,592	348,221	-5.0%

Financial Summary II

(Y mil)	FY2014	FY2015				% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	4Q	1Q	2Q	3Q	4Q				
SG&A	58,512	59,990	58,647	57,091	57,951	1.5%	230,001	233,680	1.6%
Trading related expenses	9,576	9,695	10,331	10,364	10,655	2.8%	36,594	41,046	12.2%
Personnel expenses	26,337	27,895	25,252	24,337	24,634	1.2%	102,906	102,120	-0.8%
Real estate expenses	5,985	5,950	6,191	5,938	6,063	2.1%	24,592	24,144	-1.8%
Office cost	11,191	10,947	11,382	10,931	10,565	-3.3%	43,650	43,827	0.4%
Depreciation	3,606	3,501	3,524	3,741	3,793	1.4%	15,358	14,560	-5.2%
Taxes and dues	659	1,158	877	894	607	-32.0%	3,088	3,537	14.5%
Other	1,155	841	1,087	882	1,631	84.9%	3,810	4,442	16.6%
Ordinary income	38,649	47,405	25,605	23,138	20,123	-13.0%	138,687	116,272	-16.2%
Net income	34,027	31,814	18,191	15,659	15,194	-3.0%	127,032	80,859	-36.3%
ROE(Annualized)	19.0%	17.7%	9.8%	8.3%	7.9%		18.0%	10.9%	
Capital adequacy ratio	288.5%	294.0%	318.5%	330.8%	331.5%		288.5%	331.5%	

Balance Sheet

Balance Sheet (March 31, 2016)

(Y bil)

Current assets	10,419	(-1,549)	Current liabilities	8,561	(-1,736)
Trading products	5,380	(-505)	Trading products	4,110	(-215)
Trading securities and other	1,891	(-862)	Trading securities and other	1,125	(-552)
Derivatives	3,488	(357)	Derivatives	2,985	(336)
Margin transaction assets	195	(-33)	Margin transaction liabilities	52	(4)
Loans on margin transactions	175	(-34)	Loans payables secured by securities	2,253	(-1,198)
Cash collateral pledged for securities borrowing on margin transactions	19	(1)	Short-term loans payable	1,023	(-135)
Loans secured by securities	2,791	(-1,152)	Commercial Papers	137	(-250)
Short-term guarantee deposits	348	(92)	Current portion of bonds	96	(-68)
Short-term loans receivable	213	(-156)	Non-current liabilities	1,177	(111)
Non-current assets	104	(5)	Bonds payable	620	(-20)
Property, plant and equipment	4	(0)	Long-term loans payable	523	(130)
Intangible assets	51	(7)	Total liabilities	9,742	(-1,624)
			Net assets	781	(80)
			Shareholders' equity	773	(80)
			Capital stock	100	—
Total assets	10,524	(-1,543)	Total liabilities and net assets	10,524	(-1,543)

Note: Figures in parentheses show changes from March 31, 2015

Number of accounts and Equity trading

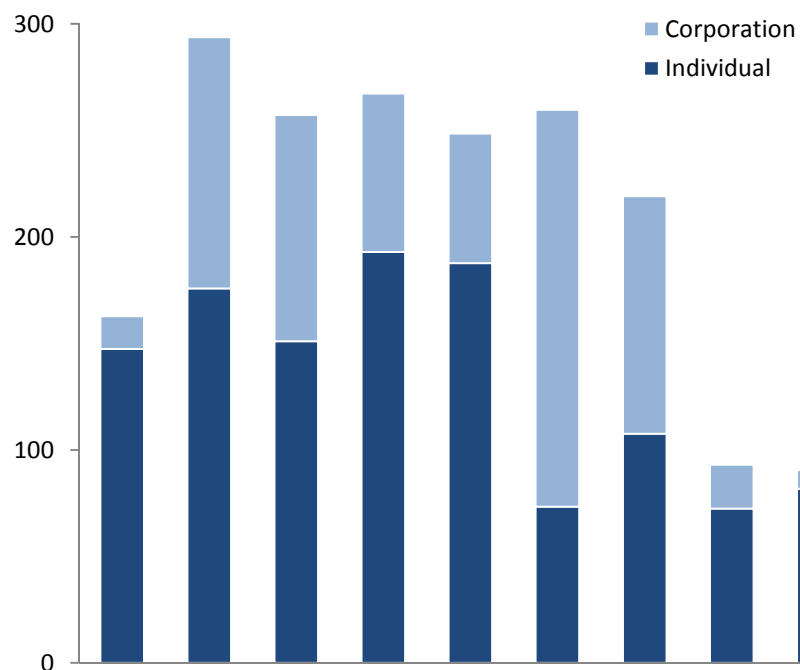
	FY2013	FY2014				FY2015			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cash Management Service accounts (thousands)	3,603	3,614	3,642	3,680	3,719	3,747	3,778	3,808	3,821
Accounts with balance (thousands)	2,825	2,839	2,857	2,877	2,910	2,926	2,948	2,961	2,973
Accounts holding equity (thousands)	1,362	1,357	1,356	1,347	1,342	1,336	1,343	1,367	1,381
Online trading accounts (thousands)	2,753	2,775	2,810	2,857	2,904	2,942	2,980	3,020	3,040
Newly opened accounts (thousands)	44	35	37	42	44	43	42	50	31
NISA accounts* (thousands)	568	612	638	661	686	709	723	741	749
Wrap account service (end of quarter)									
Contract assets under management (Y bil)	564	626	763	1037	1,242	1,459	1,466	1,575	1,540
Number of customers (thousands)	40.9	45.1	55.9	71.8	87.2	100.3	110.7	116.5	118.4
Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity)									
Total number of contracts (thousands)	3,144	2,611	3,135	3,702	3,552	3,540	3,441	2,912	3,103
Online out of total (thousands)	2,804	2,334	2,799	3,260	3,153	3,130	3,094	2,571	2,775
Total trading value (Y bil)	3,055	2,550	3,128	3,745	3,539	3,877	3,560	2,850	2,561
Online out of total (Y bil)	2,482	2,057	2,534	2,939	2,790	3,027	2,871	2,241	2,063
Foreign equity trading value (Retail)									
Trading value (Y bil)	206	170	200	245	176	185	129	126	75

* The accumulated number of opened accounts

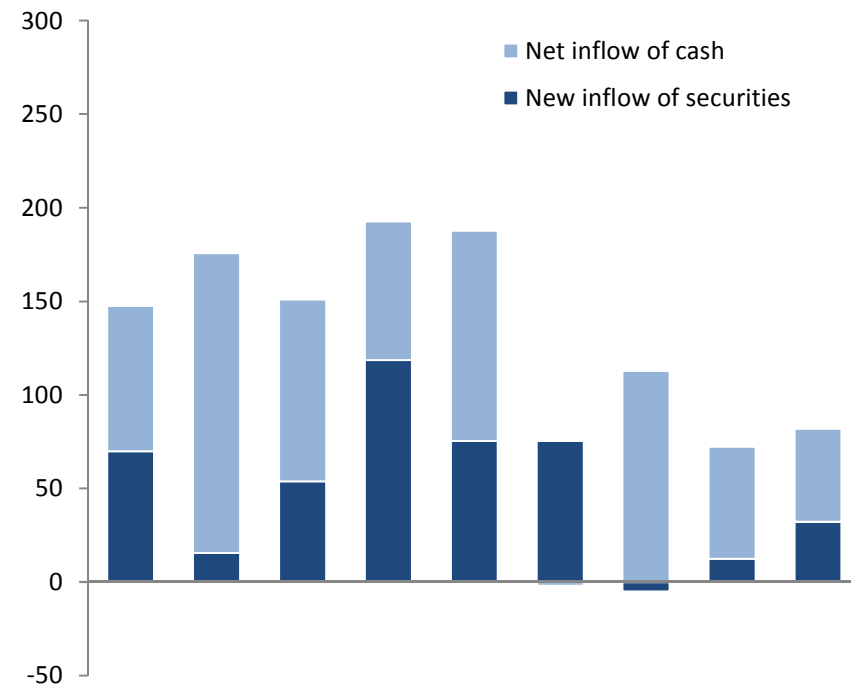
Net Inflow of Assets



Retail Division (Daiwa Securities) Net inflow of assets



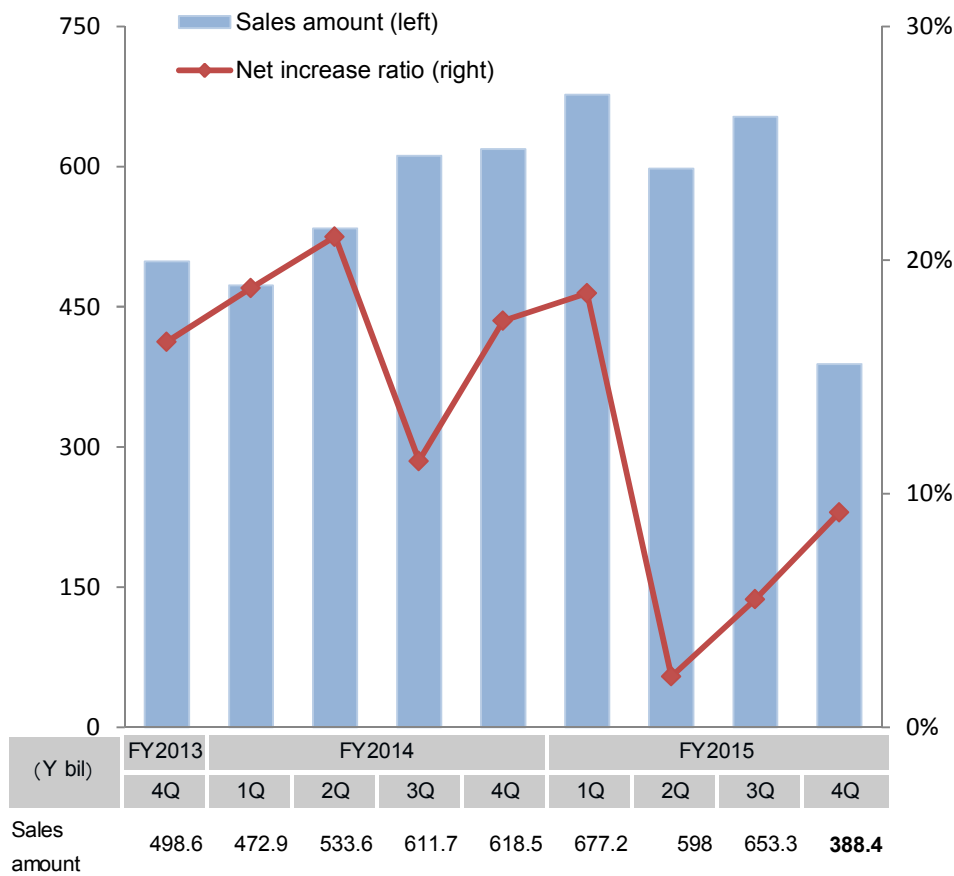
Retail Division (Daiwa Securities) Net inflow of assets (individuals)



Note: Net inflow of assets = net inflow of cash and securities

Stock Investment Trusts & Wrap Accounts

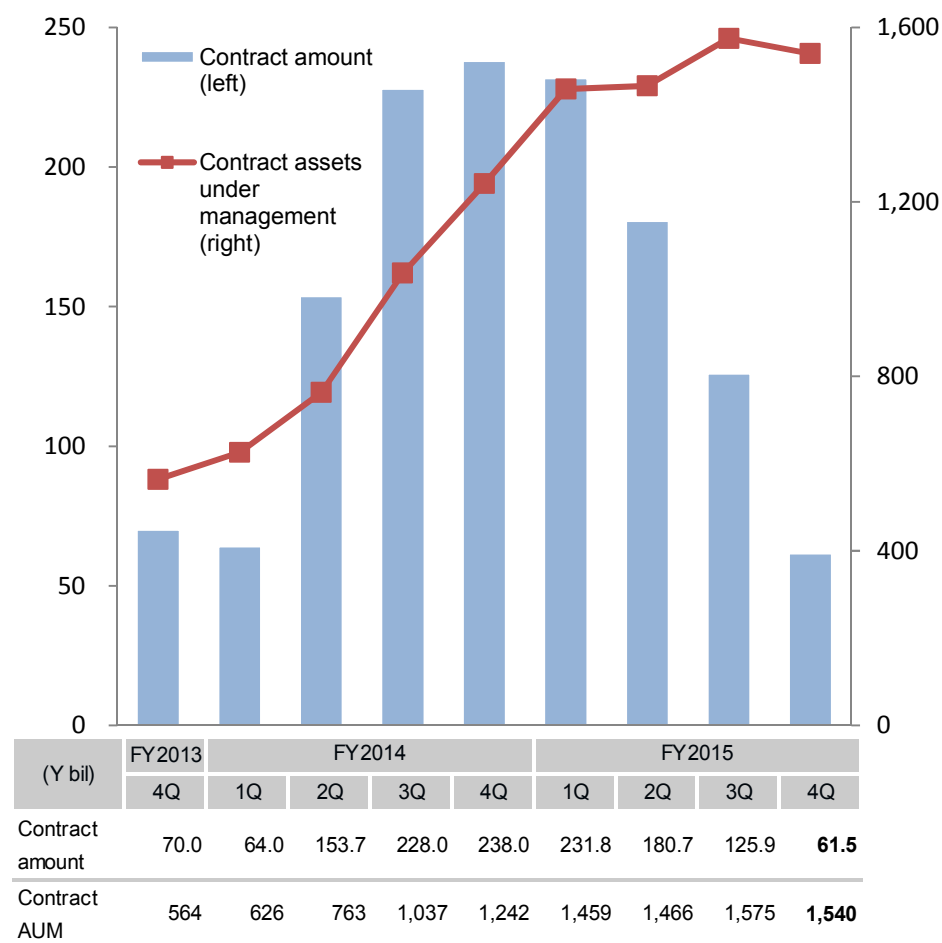
Retail Division (Daiwa Securities) Sales of stock investment trusts



Note: Net increase ratio (%) = $\frac{\text{purchase} - (\text{sell-off} + \text{redemption})}{\text{purchase}} \times 100$

Note: Includes switching transaction between funds.

Wrap account contract and contract AUM



Daiwa Securities

League Table



	Primary and secondary equity offerings	IPO	Straight bonds (excl. family bonds)	Agency bonds	Municipal bonds	Samurai bonds (excl. family bonds)	M&A (Number of deals)
4Q FY2015 League Table							
1st	Nomura	Nomura	Mitsubishi UFJMS	Mitsubishi UFJMS	Daiwa	Nomura	MHFG
	23.5%	25.8%	23.7%	23.4%	20.0%	21.7%	
2nd	Daiwa	Mitsubishi UFJMS	Nomura	Mizuho	Mitsubishi UFJMS	Daiwa	SMFG
	16.2%	19.6%	21.5%	21.2%	18.6%	19.2%	
3rd	Mizuho	Daiwa	Mizuho	Nomura	SMBC Nikko	Mitsubishi UFJMS	Nomura
	13.9%	10.6%	20.4%	18.8%	17.1%	18.9%	
4th	Morgan Stanley	SMBC Nikko	SMBC Nikko	Daiwa	Nomura	SMBC Nikko	Morgan Stanley
	11.4%	9.8%	16.5%	16.7%	16.0%	17.8%	
5th	SMBC Nikko	Mizuho	Daiwa	SMBC Nikko	Mizuho	Mizuho	Daiwa
	10.0%	9.3%	15.1%	14.1%	14.6%	16.9%	

Source: Daiwa Securities **Apr 2015 – Mar 2016**

M&A: THOMSON REUTERS **Apr 2015 – Mar 2016** "M&A advisory league table for any Japanese involvement announced (AD19)"

Note: Primary and secondary equity, IPO, Straight bonds, Agency bonds, Municipal bonds and Samurai bonds are based on settlement date

Joint lead manager allotment of Primary and secondary equity, IPO, Straight bonds, Municipal bonds and Agency bonds is based on underwritten amount

Joint lead manager allotment of Samurai bonds is divided up evenly among the managers

Financial Summary



(Y mil)	FY2015					% Change vs 3Q/FY15	FY2014	FY2015	% Change vs FY14
	4Q	1Q	2Q	3Q	4Q				
Operating revenues	23,778	24,129	23,020	22,175	20,324	-8.3%	91,858	89,650	-2.4%
Management fee	23,553	23,899	22,814	21,982	20,154	-8.3%	90,924	88,850	-2.3%
Stock investment trust	23,440	23,805	22,725	21,884	20,077	-8.3%	90,383	88,493	-2.1%
Bond investment trust	112	94	88	98	76	-22.3%	540	357	-33.9%
Other operating revenues	225	230	205	192	170	-11.5%	933	799	-14.4%
SG&A	18,695	18,868	17,930	17,417	16,350	-6.1%	72,910	70,567	-3.2%
Commission paid	12,679	12,643	11,856	11,335	10,330	-8.9%	49,978	46,165	-7.6%
Other SG&A	6,016	6,225	6,074	6,081	6,020	-1.0%	22,931	24,402	6.4%
Operating income	5,083	5,260	5,089	4,758	3,974	-16.5%	18,948	19,082	0.7%
Ordinary income	5,093	5,404	5,296	4,799	3,970	-17.3%	20,416	19,471	-4.6%
Net income	3,231	3,599	3,799	3,099	2,764	-10.8%	13,431	13,262	-1.3%

Range and assumption of VaR

- Confidence level : 99% (one-side test)
- Holding period : 1 day
- Adjusted for price correlation between product

(Y bil)	FY2013	FY2014				FY2015			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
VaR (Quarter end)	1.48	1.29	2.00	2.07	2.32	1.74	1.53	1.25	1.55
High	2.33	1.94	2.30	2.37	3.46	2.43	2.59	1.71	3.14
Low	1.09	1.22	1.08	1.42	1.61	1.68	1.34	1.13	1.17
Average	1.52	1.50	1.48	1.95	1.93	2.04	1.65	1.47	1.67

By risk factors (Quarter end)

Equity	0.82	0.45	0.49	0.43	0.70	0.56	0.83	0.39	0.28
Interest	1.36	1.40	1.82	1.90	2.27	1.98	1.42	1.13	1.64
Currency	0.20	0.32	0.39	0.76	0.32	0.25	0.33	0.59	0.33
Commodity	–	–	–	–	0.02	0.00	0.00	0.00	0.00

Number of Group Employees

		FY2013	FY2014				FY2015			
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total		14,426	14,918	14,827	14,792	14,757	15,301	15,209	15,179	15,028
	Overseas	1,676	1,650	1,656	1,627	1,636	1,617	1,611	1,603	1,566

■ Number of employees as at end of each quarter.

※ Total figures are the sum of consolidated group companies and Daiwa SB Investments.

※ Overseas figures are the sum of consolidated group companies under Daiwa International Holdings and Daiwa Securities.

※ Figures include temporary staff.

Contact

Daiwa Securities Group Inc.

Investor Relations

TEL: +81-3-5555-1300 FAX: +81-3-5555-0661

E-mail: ir-section@daiwa.co.jp

URL: <http://www.daiwa-grp.jp/ir/english/>