

January 30, 2026

Daiwa Securities Group Inc.

Report Regarding Consolidated Liquidity Coverage Ratio
and Consolidated Net Stable Funding Ratio

Situation of Soundness in Liquidity Management as of Second Quarter in Fiscal Year 2025

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 liquidity management as of the second quarter in fiscal year 2025.

Table of Contents

Key Metrics (at consolidated group level)	3
Qualitative Disclosure (Consolidated)	4
1. Qualitative disclosure of consolidated Liquidity Coverage Ratio.....	4
2. Qualitative disclosure of consolidated Net Stable Funding Ratio.....	5
Quantitative Disclosure (Consolidated)	6
1. Quantitative disclosure of consolidated Liquidity Coverage Ratio.....	6
2. Quantitative disclosure of consolidated Net Stable Funding Ratio.....	7

Key Metrics (at consolidated group level)

KM1: Key Metrics

(Unit: 1 Million Yen,%)

		Second Quarter in Fiscal Year 2025	First Quarter in Fiscal Year 2025	Fourth Quarter in Fiscal Year 2024	Third Quarter in Fiscal Year 2024	Second Quarter in Fiscal Year 2024
Consolidated liquidity coverage ratio						
15	Total high-quality liquid assets	2,800,581	2,642,797	2,815,464	2,799,297	2,632,609
16	Total net cash outflows	1,970,256	1,908,731	1,970,118	1,957,762	1,926,313
17	Consolidated liquidity coverage ratio	142.1%	138.4%	142.9%	142.9%	136.6%
Consolidated net stable funding ratio						
18	Total available stable funding	11,027,326	10,546,437	10,617,314	10,872,710	10,476,558
19	Total required stable funding	7,047,254	6,912,565	6,687,791	6,985,630	6,850,600
20	Consolidated net stable funding ratio	156.4%	152.5%	158.7%	155.6%	152.9%

Qualitative Disclosure (Consolidated)

1. Qualitative disclosure of consolidated Liquidity Coverage Ratio

A) Changes in consolidated Liquidity Coverage Ratio over previous quarter

The Group's total High-Quality Liquid Asset (HQLA) was 2,800,581 million yen, an increase of 157,784 million yen from the previous quarter.

Cash outflows related to unsecured wholesale funding were 1,587,230 million yen, an increase of 70,573 million yen from the previous quarter. Cash outflows related to secured funding were 863,699 million yen, an increase of 100,482 million yen. Cash outflows related to other contractual funding obligations were 1,729,363 million yen, an increase of 108,892 million yen. And cash inflows related to other cash inflows were 1,778,232 million yen, an increase of 157,374 million yen, thus total net cash outflows were 1,970,256 million yen, an increase of 61,525 million yen.

As a result of the above-mentioned conditions, the Group's consolidated Liquidity Coverage Ratio was 142.1%. For the past two years, changes in the ratio have been relatively stable.

B) Evaluation of the Group's consolidated Liquidity Coverage Ratio

The Group defines "The Rule of Regulatory Liquidity Management", and not only manages to keep the Liquidity Coverage Ratio above the regulatory limit, but also sets an internal alert level, and periodically reviews whether the ratio is above the internal alert level.

The Group's consolidated Liquidity Coverage Ratio is sufficiently above the minimum requirement.

C) Composition of HQLA

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

D) Other issues related to the consolidated Liquidity Coverage Ratio

There is no significant item for disclosure.

2. Qualitative disclosure of consolidated Net Stable Funding Ratio

A) Changes in consolidated Net Stable Funding Ratio over previous quarter

The Group's total Available Stable Funding (ASF) was 11,027,326 million yen, an increase of 480,889 million yen from the previous quarter. Funding from retail and small business customers was 1,941,332 million yen, an increase of 160,321 million yen. And wholesale funding was 6,949,686 million yen, an increase of 325,687 million yen.

Total Required Stable Funding (RSF) was 7,047,254 million yen, an increase of 134,689 million yen. High-quality liquid assets were 703,166 million yen, an increase of 77,210 million yen. Loans, repo transactions-related assets, securities and other similar assets were 3,743,479 million yen, an increase of 47,347 million yen. And other assets were 2,496,871 million yen, an increase of 12,739 million yen.

As a result of the above-mentioned conditions, the Group's consolidated Net Stable Funding Ratio was 156.4%, an increase of 3.9 percent. The ratio is sufficiently above the minimum requirement.

B) Application of Exception for Interdependent Asset and Liability

Not applicable.

C) Other issues related to the consolidated Net Stable Funding Ratio

There is no significant item for disclosure.

Quantitative Disclosure (Consolidated)

1. Quantitative disclosure of consolidated Liquidity Coverage Ratio

(Unit: 1 Million Yen,%)

Items		Second Quarter in Fiscal Year 2025		First Quarter in Fiscal Year 2025	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets	2,800,581		2,642,797	
Cash Outflows (2)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	2,080,830	208,083	1,948,080	194,808
3	Stable deposits	-	-	-	-
4	Less stable deposits	2,080,830	208,083	1,948,080	194,808
5	Unsecured wholesale funding	3,026,072	1,587,230	2,845,287	1,516,657
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	2,903,819	1,464,977	2,660,560	1,331,930
8	Unsecured debt	122,252	122,252	184,727	184,727
9	Secured funding	15,255,468	863,699	14,180,874	763,217
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	310,117	298,342	346,762	334,005
11	Outflows related to derivative exposures	257,645	257,645	304,518	304,518
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	52,472	40,697	42,244	29,487
14	Other contractual funding obligations	8,051,189	1,729,363	7,595,337	1,620,471
15	Other contingent funding obligations	76,488	65,275	75,270	63,995
16	Total cash outflows	4,751,995		4,493,156	
Cash Inflows (3)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	11,948,535	416,057	11,243,978	372,325
18	Inflows from fully performing exposures	670,475	587,448	691,545	591,240
19	Other cash inflows	7,197,829	1,778,232	6,990,275	1,620,858
20	Total cash inflows	2,781,738		2,584,424	
Consolidated Liquidity Coverage Ratio (4)					
21	Total high-quality liquid assets	2,800,581		2,642,797	
22	Total net cash outflows	1,970,256		1,908,731	
23	Consolidated liquidity coverage ratio	142.1%		138.4%	
24	Number of data used for calculation of average value	62		62	

2. Quantitative disclosure of consolidated Net Stable Funding Ratio

(Unit: 1 Million Yen, %)

(Unit: 1 Million Yen, %)

Items		Second Quarter in Fiscal Year 2025					First Quarter in Fiscal Year 2025				
		Unweighted Value				Weighted Value	Unweighted Value				Weighted Value
		Indeterminate	< 6 months	≥ 6 months < 1 year	≥ 1 year		Indeterminate	< 6 months	≥ 6 months < 1 year	≥ 1 year	
Available Stable Funding (ASF) (1)											
1	Capital	-	-	-	1,834,271	1,834,271	-	-	-	1,823,001	1,823,001
2	Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	-	-	-	1,834,271	1,834,271	-	-	-	1,823,001	1,823,001
3	Other capital instruments that are not included in the above category	-	-	-	-	-	-	-	-	-	-
4	Funding from retail and small business customers	2,157,035	-	-	-	1,941,332	1,978,901	-	-	-	1,781,011
5	Stable deposits	-	-	-	-	-	-	-	-	-	-
6	Less stable deposits	2,157,035	-	-	-	1,941,332	1,978,901	-	-	-	1,781,011
7	Wholesale funding	1,779,059	14,721,349	942,343	2,726,594	6,949,686	1,568,269	14,466,234	805,867	2,924,482	6,623,999
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	1,779,059	14,721,349	942,343	2,726,594	6,949,686	1,568,269	14,466,234	805,867	2,924,482	6,623,999
10	Liabilities with matching interdependent assets	-	-	-	-	-	-	-	-	-	-
11	Other liabilities	77,471	5,940,936	31,266	513,657	302,036	76,930	5,279,951	28,431	574,346	318,424
12	Derivative liabilities	-	-	-	-	-	-	-	-	-	-
13	All other liabilities and equity not included in the above categories	77,471	5,940,936	31,266	513,657	302,036	76,930	5,279,951	28,431	574,346	318,424
14	Total available stable funding	-	-	-	-	11,027,326	-	-	-	-	10,546,437
Required Stable Funding (RSF) (2)											
15	High-quality liquid assets	-	-	-	-	703,166	-	-	-	-	625,956
16	Deposits held at financial institutions for operational purposes	36,630	11,166	-	-	23,898	42,825	10,860	-	-	26,843
17	Loans, repo transactions-related assets, securities and other similar assets	587,301	11,843,237	1,017,083	2,612,968	3,743,479	517,586	12,033,536	957,909	2,521,799	3,696,132
18	Loans to and repo transactions with financial institutions (secured by level 1 assets)	-	9,012,203	127,708	4,223	97,374	-	9,200,172	33,545	1,275	39,047
19	Loans to and repo transactions with financial institutions (not included in item 18)	586,837	1,762,822	51,346	681,606	1,066,710	515,568	1,593,760	57,726	731,669	1,083,698
20	Loans to and repo transactions-related assets (not included in items 18, 19 and 22)	-	1,031,933	328,915	768,585	1,316,106	-	1,216,671	342,654	576,761	1,258,963
21	With a risk weight of less than or equal to 35% under the Standardized Approach for credit risk	-	651,669	173,467	75,562	413,014	-	810,943	205,088	25,657	470,252
22	Residential mortgages	-	-	-	-	-	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the Standardized Approach for credit risk	-	-	-	-	-	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA and other similar assets	464	36,279	509,114	1,158,554	1,263,289	2,018	22,933	523,984	1,212,094	1,314,424
25	Assets with matching interdependent liabilities	-	-	-	-	-	-	-	-	-	-
26	Other assets	41,810	530,882	-	2,522,958	2,496,871	44,913	473,525	-	2,514,423	2,484,132
27	Physical traded commodities including gold	-	-	-	-	-	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)	-	-	-	219,684	186,731	-	-	-	194,809	165,588
29	Derivative assets	-	-	-	370,150	370,150	-	-	-	402,400	402,400
30	Derivative liabilities (before deduction of variation margin posted)	-	-	-	19,633	19,633	-	-	-	19,408	19,408
31	All other assets not included in the above categories	41,810	530,882	-	1,913,491	1,920,357	44,913	473,525	-	1,897,806	1,896,736
32	Off-balance sheet items	-	-	-	147,925	79,835	-	-	-	136,964	79,498
33	Total required stable funding	-	-	-	-	7,047,254	-	-	-	-	6,912,565
34	Consolidated net stable funding ratio (NSFR)	-	-	-	-	156.4%	-	-	-	-	152.5%