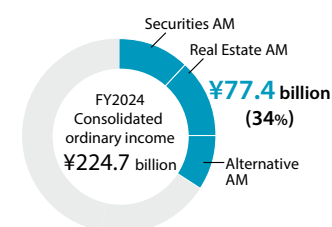


Asset Management Strategy

The Asset Management Division consists of Securities Asset Management, Real Estate Asset Management, and Alternative Asset Management. The Division manages a wide range of assets, including investment trusts, real estate, venture capital, private equity, and solar power projects.

AM Division ordinary income



Keiko Tashiro
Head of Asset Management

The Asset Management Division offers a diverse range of investment products and services, including traditional and alternative assets. It is a key contributor to the Japanese government's initiative of Promoting Japan as a Leading Asset Management Center. Securities Asset Management and Real Estate Asset Management are part of this Division. Together with the Wealth Management Division, they form Base Income, a key pillar of the Group's stable revenue base.

In FY2024, the division grew earnings across all business lines by steadily expanding assets under management and promoting capital recycling. We actively pursued inorganic growth strategies. This included the capital and business alliance between JAPAN POST INSURANCE, Daiwa Securities Group, and Daiwa Asset Management.

We will continue using both organic and inorganic growth strategies to strengthen our asset management capabilities, grow our customer base, and transform our business model. Our goal is to surpass ¥60 trillion in assets under management by FY2030.

Main Companies

Securities Asset Management

- Daiwa Asset Management Co. Ltd.
- Daiwa Fund Consulting Co. Ltd.

Real Estate Asset Management

- Daiwa Real Estate Asset Management Co. Ltd.
- Daiwa Office Investment Corporation
- Daiwa Securities Realty Co. Ltd.
- Samty Residential Investment Corporation

Alternative Asset Management

- Daiwa Corporate Investment Co., Ltd.
- Daiwa PI Partners Co. Ltd.
- Daiwa Energy & Infrastructure Co. Ltd.

Assets under management by Daiwa Asset Management	¥33.3 trillion
Assets under management by two real estate asset management companies*1	¥1,596.3 billion
Number of investment companies (cumulative)*2	2,369 companies
Investment amount (cumulative)*2	¥470.0 billion
Outstanding principal investment balance*3	¥284.0 billion

*1 Daiwa Real Estate Asset Management and Samty Residential Investment Corporation

*2 Daiwa Corporate Investment cumulative value

*3 Total of Daiwa PI Partners and Daiwa Energy & Infrastructure

Awareness of Environment

- ▷ Mergers and restructuring among major asset management firms around the world
- ▷ Building interest in ESG investments amid growing awareness of Principles for Responsible Investment (PRI) and the SDGs
- ▷ Investment difficulties caused by low interest rates, diversification of investor needs
- ▷ Growing needs for asset accumulation on own initiative

Strengths

- ▷ Product development capabilities to match diverse customer needs
- ▷ Marketing capabilities and support structure for sales network inside and outside the Group
- ▷ Top-class balance of net assets in investment trusts in Japan
- ▷ Research and management capability backed by many years of experience and track record

Business Risks

- ▷ Securities AM: Risk of reduced earnings due to a decrease in the balance of assets under management; risk of being unprofitable in the event of a significant decline in earnings.
- ▷ Real Estate AM: Risk of fluctuations in the real estate market; risk of upswing in expenses, including personnel as well as real estate-related costs.
- ▷ Alternative AM: Risk of losses on the sale or revaluation of securities and other holdings due to changes in the operating conditions or economic environment of investees.

Asset Management Strategy (Securities Asset Management)

Capital and business alliance with JAPAN POST INSURANCE

Securities Asset Management is steadily growing, with assets under management reaching ¥33 trillion by the end of March 2025. This growth is fueled by our unique product offerings. In the public investment trust sector, we are working to expand unique, high-value-added products like alternative investments, while also improving services for distributors.

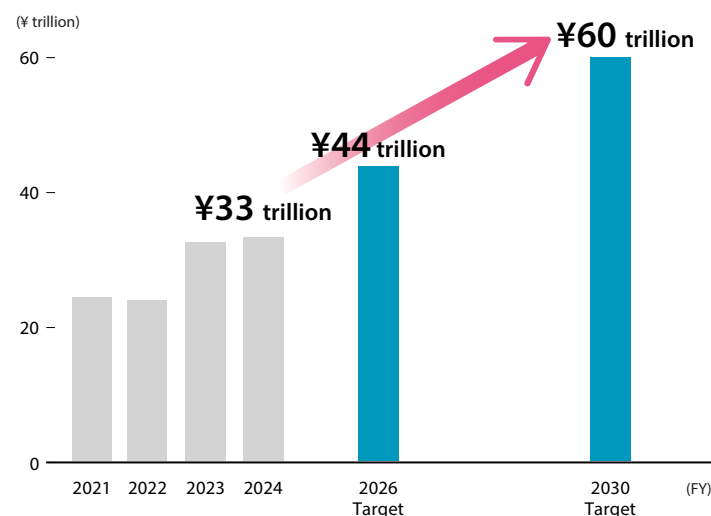
Daiwa Asset Management (Daiwa AM) announced a capital and business alliance in the asset management sector with JAPAN POST INSURANCE in May 2024. By October, JAPAN POST INSURANCE had acquired a 20% stake in Daiwa AM. By partnering with JAPAN POST INSURANCE, one of Japan's largest asset owners, Daiwa AM aims to fully enter the investment advisory business, including alternative investments. This collaboration will enhance its investment capabilities and operations through the exchange of asset management talent and the adoption of an asset owner's perspective.

Through this partnership, JAPAN POST INSURANCE has already entrusted Daiwa AM with more than ¥2 trillion in assets. Additionally, we collaborate on the Emerging Managers Program (EMP), which the Japanese government is supporting, and have completed our first investment. By identifying promising emerging asset management firms through EMP and ensuring a smooth supply of capital, we aim to increase the use of these firms, helping Japan become a Leading Asset Management Center.

Capital and business alliance with JAPAN POST INSURANCE and Mitsui & Co.

In March 2025, we announced a capital and business alliance with JAPAN POST INSURANCE and Mitsui & Co., including the acquisition of Mitsui & Co. Alternative Investments as a subsidiary. Daiwa AM aims to broaden the range of its alternative asset management by developing public and private investment trusts and fostering talent through personnel exchanges. We plan to leverage the strengths of JAPAN POST INSURANCE, Mitsui & Co., and our own Group to drive business growth.

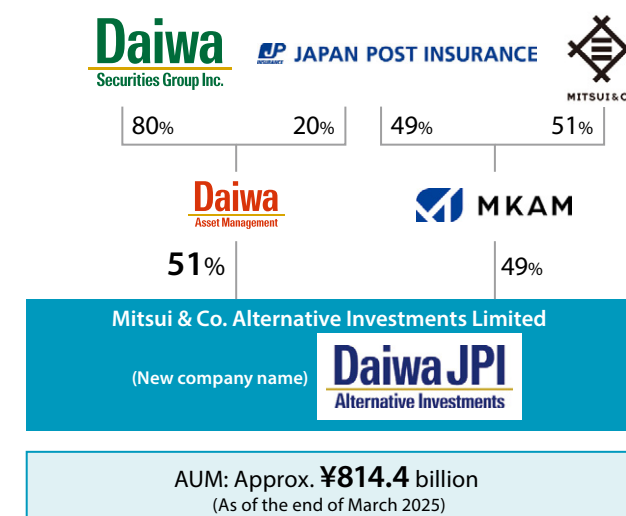
Trends in Securities AM total AUM



Capital and business alliance with JAPAN POST INSURANCE in the asset management field

Full-scale entry into the investment advisory business	<ul style="list-style-type: none"> Entrusted with over ¥2 trillion in assets from JAPAN POST INSURANCE Organizational structure enhancement to fully launch the investment advisory business
Enhance asset management sophistication	<ul style="list-style-type: none"> Active mutual personnel exchange Credit investment operations started at a NY subsidiary
Emerging Managers Program (EMP)	<ul style="list-style-type: none"> Aiming to reach ¥50 billion in assets under management over the next five years Investment in the first project commenced on March 21, 2025

Capital and business alliance in the Alternative Asset Management field



Asset Management Strategy (Real Estate Asset Management)

Expanding assets under management through REITs and private funds

Since entering the real estate asset management business in 2009, this business has steadily grown by expanding the scope of its managed assets, merging with asset management companies and real estate investment trusts (REITs), and strengthening its warehousing functions. These efforts have helped secure stable profits for the Group. In 2019, we entered into a capital and business alliance with real estate developer Samty Holdings to expand and strengthen our businesses through collaboration.

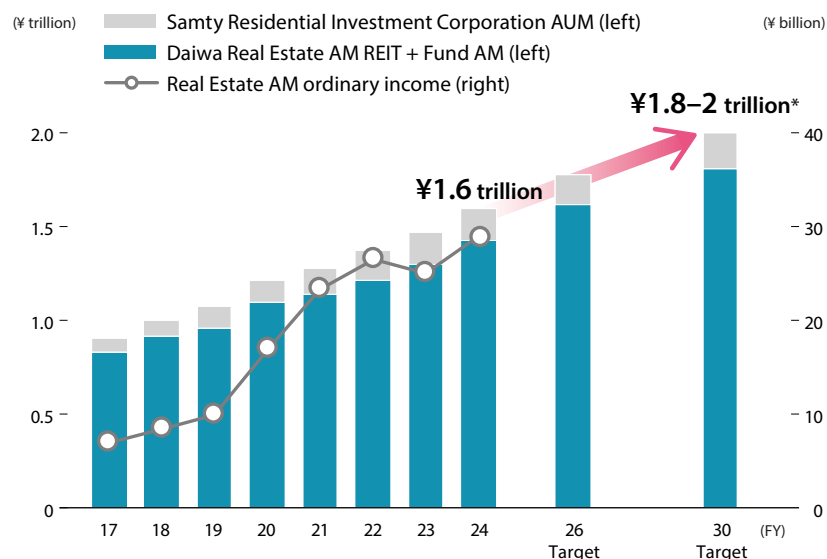
Real estate companies tend to avoid transacting or consulting with competitors when selling properties. As an independent player in the real estate sector, the Group

attracts deals from all directions. By leveraging our warehousing capabilities based on strong creditworthiness along with our flexible ability to make swift decisions, we are increasing our dealmaking success rate and steadily acquiring properties.

As of March 31, 2025, assets under management had grown to around ¥1.6 trillion, contributing to increased stable earnings for the entire Group. The managed assets of this business focus on inflation-resistant residential properties and medium-sized offices. These properties, managed by the Group's REITs, are seeing steady increases in rental income. Other REITs maintain high occupancy rates and stable earnings.

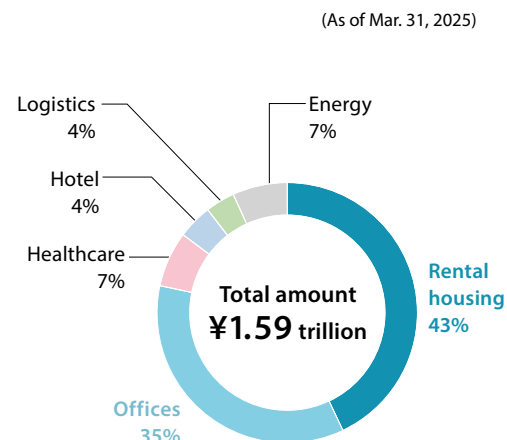
In March 2025, Daiwa Real Estate Asset Management began managing a large private fund. We aim to continue expanding assets under management through both REITs and private funds.

Real Estate AM AUM / Ordinary income

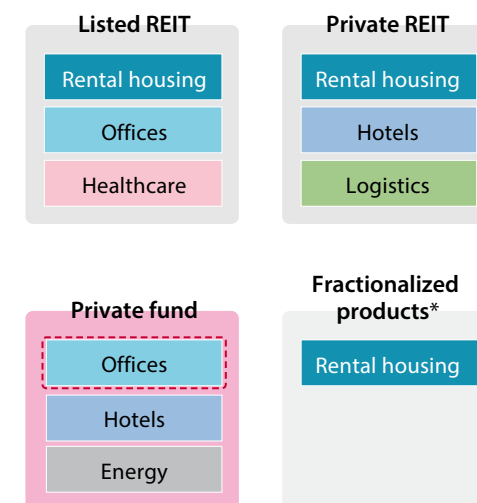


* In order to exceed AUM of ¥1.8 trillion, factors such as a favorable acquisition environment, REIT M&As, funding capacity, etc., among other requirements, must be met.

Asset-type ratio



Diversification of the real estate-related product



* Managed by Daiwa Securities Realty

Asset Management Strategy (Alternative Asset Management)

From self-funded investment to asset management

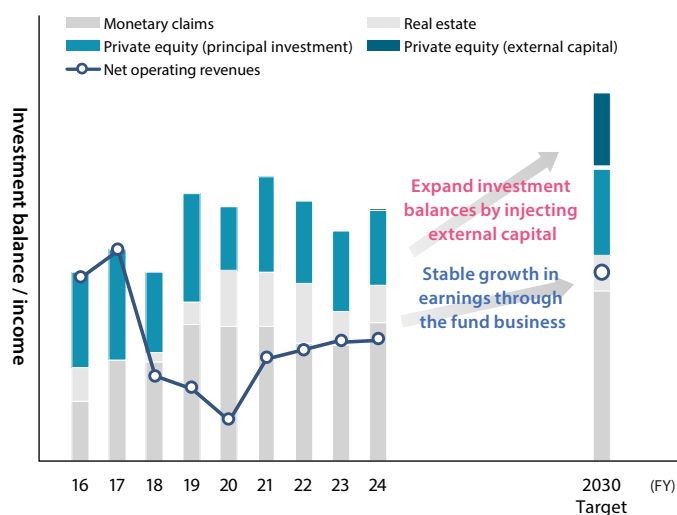
Alternative Asset Management is shifting from investing our own capital to an asset management business that uses external funds. Daiwa Corporate Investment, a veteran in venture capital, has built a 40-year track record in fund management. Daiwa PI Partners and Daiwa Energy & Infrastructure, which have mainly invested their own funds, plan to use their deep investment expertise and strong track records to start a fund business with money raised from outside investors.

In November 2024, Daiwa PI Partners' wholly-owned subsidiary, Daiwa PI Capital, successfully raised ¥26 billion for its private equity fund, Daiwa PIC Business Support No. 1 Investment Limited Partnership. The fund has already made new investments and will focus on enhancing the value of existing portfolio companies while also seeking new investment opportunities.

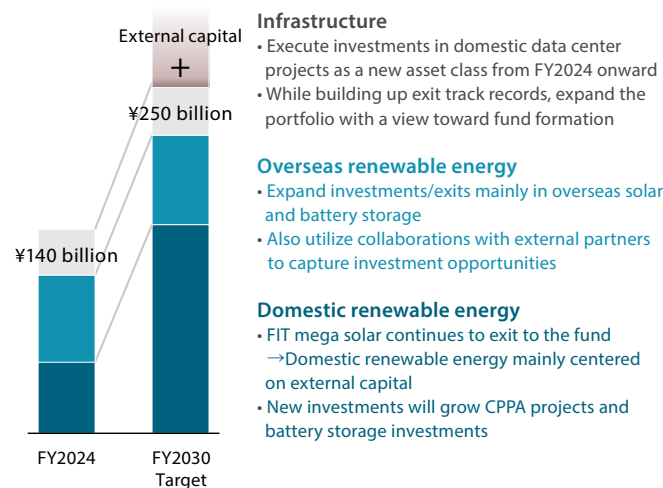
In August 2024, Daiwa Energy & Infrastructure sold part of its stake in Electricity North West Limited, a UK power distribution company acquired in 2019, to Spain's Iberdrola S.A. This deal generated significant capital gains, greatly boosting the Group's profits.

We will use our investment expertise, track record, and network of partners in Japan and abroad to continue investing in quality projects and executing optimal exits. In doing so, we aim to build a strong track record that we can connect to the asset management business.

Shift to the fund business by Daiwa PI Partners



Daiwa Energy & Infrastructure (DEI)



Portfolio companies of Daiwa PIC Business Support No. 1



Installation and operation of capsule vending machines and amusement equipment



A ramen chain expanding primarily along roadside locations and shopping malls in Hiroshima

Collaboration in the power distribution business in the UK

Participate in the management of ENW in collaboration with the new shareholder, Iberdrola S.A.

