

Digital Strategy

Message from the CIO



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We are now in the second year of our Medium-Term Management Plan. In our previous plan, we built the foundation (our environment, human resources, and culture) to pursue digital innovation. The current plan marks a new phase: fully leveraging the latest technologies to transform our business model and take the Group to the next level.

Digital technology is evolving fast. New advances like AI and blockchain are emerging one after another. Our Group formulated the AI Governance Mission Statement, the first of its kind in the securities industry. By swiftly putting advanced technologies to work, we are deepening our business and driving digital innovation. To guard against cyberattacks and unauthorized access, we are adopting the latest technologies and strengthening our operational systems. We are committed to offering services our customers can trust and use with peace of mind.

To add to this momentum, we have set two KPIs: the number of value created digital projects, which are projects aimed at using digital technology to drive business transformation, and the number of digital project trials, which help build a culture that embraces experimentation and learning from failure. These KPIs reflect our push for digital innovation throughout the Group. We will continue to offer products and services tailored to each customer's portfolio and life plan. By making our services even easier to use, we aim to **maximize customer asset value**.

▶ P85 Daiwa Securities Group AI Governance Mission Statement

Strategy and direction

The current Medium-Term Management Plan positions pursuing digital innovation as a core group strategy—our Digital Strategy. To **maximize customer asset value**, we are pursuing two tracks: deepening our business and driving digital innovation. These efforts rest on three main elements.

The first is transforming the business model for the wealthy. We are developing services that give us a detailed understanding of each high-net-worth customer's total assets and profile, so that we can offer products and services that better meet their varied needs. We are also improving our proposal and analysis tools to deliver sharper portfolio analysis based on a deeper understanding of each customer. In parallel, we are developing high-quality products, including digital assets.

The second is transforming the business model for asset-builders. For customers who are just starting to build assets, we are building a platform to expand our online product and service offerings. We are enhancing our digital approach by introducing and expanding AI operator services. By using AI to respond to customer inquiries and reduce wait times, we aim to improve the quality and speed of our customer service.

The third is digital innovation. We are stepping up our data utilization, rolling out AI across our operations, and creating new businesses in the Web 3.0 space. Generative AI has rapidly advanced in recent years. AI agents, which can carry out tasks once handled by people, hold real promise for deep business reform. We have formed a strategic partnership with Microsoft and are working to embed this collaboration throughout the Group. In Web 3.0, we are building a system that draws on each Group company's strengths, tackling a range of projects through agile coordination. We will keep taking on new challenges, pushing business transformation, creating new ventures, and deepening ties with top-tier tech firms that have advanced capabilities.

People are the driving force behind these efforts. We believe that blending business ideas with cutting-edge digital technology will lead to lasting results. To raise digital literacy among all our employees, we run two key programs. The Digital IT Master certification system develops leaders in business transformation using advanced digital technology. Daiwa Digital College helps employees build both basic and role-specific skills in digital and data use.