

Carbon Neutrality Initiatives

The Daiwa Securities Group Net Zero Carbon Declaration

Daiwa Securities Group recognizes the importance and urgency of addressing climate change, one of the most serious issues facing the world, in order to realize a carbon neutral society as soon as possible. To that end, we have formulated the Daiwa Securities Group Net Zero Carbon Declaration to make a medium- to long-term contribution to the fight against climate change.

Based on this declaration, we aim to achieve (i) Scope 1 and 2 net zero GHG emissions within our own operations by FY2030 and (ii) Scope 3 net zero GHG emissions by 2050 for our investment and loan portfolios. In addition, we will (iii) continue to support our customers' efforts to decarbonize their businesses and new technologies that contribute to the realization of a decarbonized society in order to support a smooth transition to a decarbonized society through our financial business.



For details on Daiwa Securities Group Net Zero Carbon Declaration, please see the website below.
<https://www.daiwa-grp.jp/english/sustainability/environment/policy.html>

Net zero GHG emissions within our own operations

To achieve net zero GHG emissions within our own operations (Scope 1 and Scope 2), we will advance initiatives that are in line with the priority area. Specific measures include continuing energy-saving efforts and switching to renewable electricity. At present, we are introducing energy-saving technologies and systems at our sites and improving energy efficiency, and will keep up these efforts.

As far as renewable energy power is concerned, we introduced such power into all of the Group companies residing at the head office building (GranTokyo North Tower) in April 2021 by utilizing non-fossil fuel energy certificates with tracking information. In January and April 2024, respectively, Daiwa Securities and Daiwa Institute of Research switched to renewable energy for electricity used within Scope 2 emissions at all their offices in Japan. For domestic offices, interim targets for 2025 have been set and submitted to the GX League (Scope 1: 416 tons, Scope 2: 55 tons). Looking ahead, we will continue to consider switching to renewable energy sources at our overseas offices and the use of carbon credits for emissions we cannot cut through our own efforts. Our goal is to meet the 2025 interim target and reach Scope 1 and 2 net zero by FY2030. When

choosing renewable power plans for our offices, we consider not only their impact on cutting GHG emissions but also our internal carbon price. Specifically, we compare the expected future cost—calculated using the J-Credit price—with the extra cost of adopting renewable energy. The calculation uses data from power companies on expected GHG cuts from renewable adoption. We plan to keep using the internal carbon price to judge whether the extra cost is reasonable, and may review the price setting in the future.

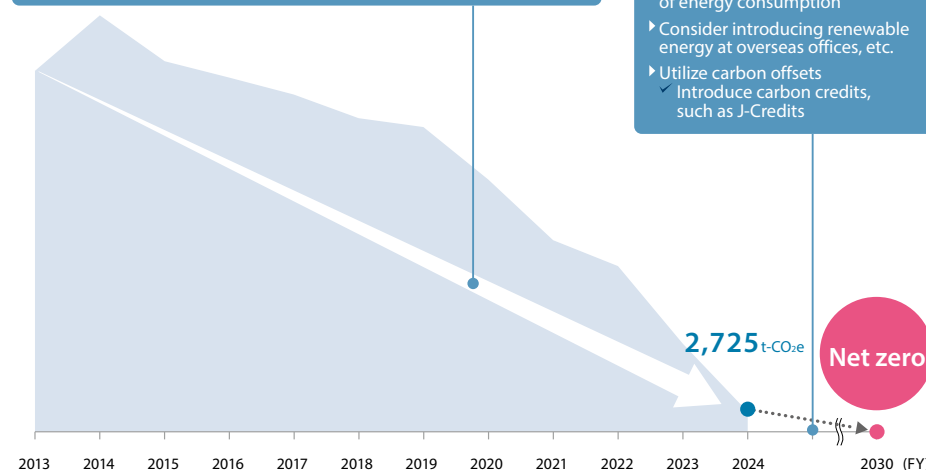
GHG emissions within our own operations (Scope 1 and Scope 2)

Examples of past initiatives

- ▶ More efficient energy use
 - ✓ Switch equipment (air conditioning, change lighting to LED)
 - ✓ Review operations, etc.
- ▶ Switch to renewable energy through utilization of non-fossil fuel energy certificate with tracking information, etc.
 - ✓ Switch to renewable energy for electricity consumption at all domestic offices of Daiwa Securities (from January 2024) and Daiwa Institute of Research (from April 2024)

Examples of future initiatives

- ▶ Continue to improve efficiency of energy consumption
- ▶ Consider introducing renewable energy at overseas offices, etc.
- ▶ Utilize carbon offsets
 - ✓ Introduce carbon credits, such as J-Credits



Notes: 1. GHG emissions within our own operations (domestic and overseas) are calculated for approximately 95% of the locations based on the number of employees.
 2. FY2023 results are market-based emissions.



For more information on the scope of our own GHG emissions data and calculation methods, please visit the following website.
https://www.daiwa-grp.jp/sustainability/data/pdf/daiwa_sustainability_data_2025.pdf

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Net zero GHG emissions within our investment and loan portfolios, etc.

To lay out a concrete path toward our goal of net zero GHG emissions within our investment and loan portfolios, etc. by 2050 (Scope 3), as set forth in the Declaration, the Group sets interim targets up to FY2030 for project finance in the power generation sector, which accounts for the largest proportion of emissions in our own investment and loan portfolios.

Measurement of actual values in FY2023

For FY2023 results, the scope of measurement was expanded compared to previous fiscal years and was not limited to high-emitting sectors. In addition to Scope 1 and Scope 2, Scope 3 emissions were also measured for investees and lenders.

Measurement scope

- › Sectors: All sectors
- › Asset classes: Listed equity (including REIT), unlisted equity (including REIT), corporate bonds, commercial real estate, business loans, project finance

Notes: 1. Subjects are Daiwa Securities Group Inc.'s invested companies, assets managed by the Asset Management Division (own holdings, excluding unlisted stocks via funds), and companies managed by Daiwa Next Bank.
2. Not applicable for commercial real estate and business loans. 3. Some estimates are based on the PCAF Database (excluding subjects that cannot be referenced in the Database)

Setting interim target

Results for FY2023 fell short of FY2022* due to improvements in the power generation efficiency of investment and loan recipients and progress in renewable energy investment and loan.

* FY2022 results: 379 g-CO₂e/kWh

GHG emissions from project finance in the power generation sector (Emission scope is Scope 1)

FY2023 actual values*	
Total emissions	387,431 t-CO ₂ e
Emission intensity (g-CO ₂ /kWh)	243 g-CO ₂ e/kWh
PCAF score	Average 2.73

* Some calculations are based on estimated values.

Interim target value for FY2030	
Metric	Emission intensity (g-CO ₂ e/kWh)
Target value	186-255 g-CO ₂ e/kWh
Reference scenario	IEA NZE - APS

FY2023 results

(Unit: t-CO ₂ e)	Listed equities include REITs	Unlisted equities include REITs	Corporate bonds	Project finance	Scope1 + 2	Scope3
Power generation	56,675	0	166,683	397,634	620,993	175,009
(Air)	40,091	–	–	–	40,091	8,642
Transport						
(Maritime)	429	–	–	–	429	536
(Land)	105	0	0	–	105	42
Metal & metal products *1	1,984	14,426	–	–	16,410	14,332
Chemicals	239	2,507	0	–	2,746	4,746
Real estate	1,204	397	10	–	1,611	2,924
Automobile manufacturing	37	–	656	–	692	13,149
Packaged food and meats	532	–	–	–	532	898
Paper and forest products	332	–	–	–	332	293
Oil and gas	267	–	0	–	267	678
Capital goods *2	152	–	0	–	152	18,030
Coal	57	–	–	–	57	27
Steel	45	–	0	–	45	35
Aluminum	24	–	–	–	24	85
Agriculture	22	–	–	–	22	11
Construction materials	11	–	–	–	11	2
Beverages	3	–	0	–	3	19
Cement	–	–	–	–	–	–
Others	3,426	45	183	–	3,654	24,003
Total	105,638	17,374	167,532	397,634	688,178	263,461

Total: If not applicable, "–"; if rounded down, "0". *1 Excluding steel and aluminum *2 Buildings etc.



For climate-related disclosures (formerly TCFD disclosures) based on sustainability disclosure standards (ISSB standards and SSBJ standards), please see the website below. (Scheduled for disclosure in September 2025.)
<https://www.daiwa-grp.jp/english/sustainability/environment/tcf.html>



For information on our approach to natural capital and biodiversity based on the TNFD framework, please see the website below.
<https://www.daiwa-grp.jp/english/sustainability/environment/tnfd.html>