

Reports from Committees

Nominating Committee Report



Toshio Iwamoto
Outside Director
Chair of Nominating Committee

The business environment is undergoing a paradigm shift, with long-held norms and values changing fast. Against this backdrop, the Nominating Committee has an increasingly important mission and role in helping ensure the Group's sustainable growth and stable management. To support smooth leadership transitions, we must create succession plans not only for the CEO but also for the entire management team. These plans should ensure the organization's continuity and stability, preserve expertise, foster diversity and creativity in management, and uphold sound governance.

The selection and evaluation of directors, including outside directors, is a key task for maintaining sound governance. The Nominating Committee aims to build trust among customers, shareholders, employees, and all stakeholders in the supply chain by conducting this process with transparency and fairness. We will maintain strong ethics as we work to ensure the right leadership and governance for the Group's medium- to long-term strategy.

Audit Committee Report



Katsuyuki Nishikawa
Outside Director
Chair of Audit Committee

The Audit Committee strives to understand key issues such as progress on the Medium-Term Management Plan and governance and compliance within the Group. We do this through activities such as gathering reports from headquarters and Group company leaders and conducting on-site reviews. We have confirmed that the commitment to **maximize customer asset value** through total asset consulting is firmly established and practiced across the Group. We also saw various governance improvements underway in overseas operations, despite challenges from differing legal systems. The Group aims for inorganic growth through external partnerships with Aozora Bank and JAPAN POST INSURANCE. We will closely monitor these new frameworks. In recent years, a series of scandals have shaken trust in financial institutions. Fortunately, no major incidents have occurred within Daiwa Securities Group. However, we will continue monitoring to ensure that sufficient measures are in place to prevent any issues from arising.

Compensation Committee Report



Eriko Kawai
Outside Director
Chair of Compensation Committee

As Chair of the Compensation Committee, I work to ensure that executive pay is transparent and objective from my perspective as an outside director, aiming to keep compensation fair and tied to both performance and market trends. We have raised the share of performance-linked pay to strengthen incentives for sustained performance over the medium and long term. Performance-linked compensation is set using both financial performance evaluation (consolidated ROE, consolidated ordinary income, and Base Income) and quality evaluation based on how well business KPIs are met. Starting in FY2025, the Group is introducing phantom stock and raising the amount of stock remuneration. Because phantom stock does not involve issuing physical shares, it strengthens incentives for sustained performance without causing dilution.

In FY2024, the Compensation Committee met five times. Outside directors took an active role in reviewing changes to the remuneration system. Through these discussions, we ensured transparency and supported the Group's sustainable growth.