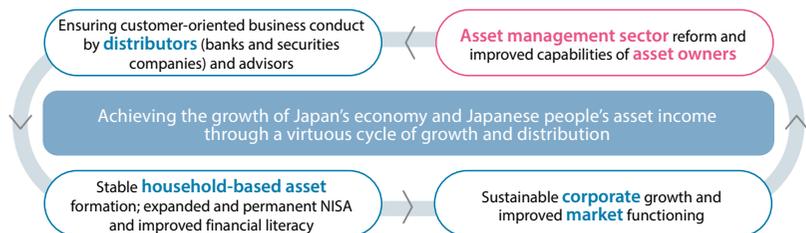


# Realizing the Aim of Promoting Japan as a Leading Asset Management Center

**Daiwa Securities Group's mission:**  
Benefit the economy and society through the development of healthy financial markets

## The concept of Promoting Japan as a Leading Asset Management Center

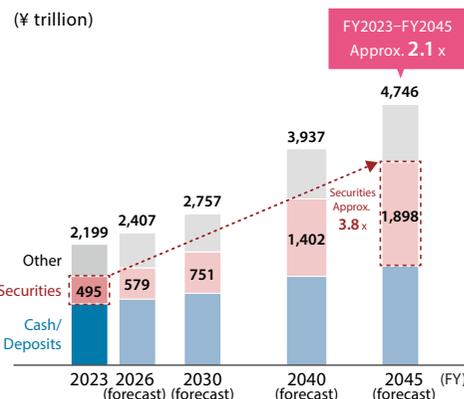
Roughly three decades of deflation in Japan have come to an end and a full-fledged “era of interest rates” has dawned. Daiwa Securities Group believes that, in addition to the dramatic expansion of the NISA system and reforms to corporate governance, efforts to increase the sophistication of the asset management sector in Japan are crucial initiatives that will help bring vitality to the capital markets. To this end, having set the shift to a wealth management business model as the pillar of our management strategy, we will intensify our focus on the wealth management and asset management businesses. This management strategy aligns with the direction the Japanese government is taking, and the Group will actively contribute to realizing the aim of Promoting Japan as a Leading Asset Management Center.



## Prospects for sustainable growth in the securities business

With inflation returning to Japan, the securities business has strong growth potential. As shown in the graph below, given certain assumptions, household financial assets are expected to more than double over the next 20 years—of these assets, securities are projected to increase nearly fourfold.

### Future predictions for household financial assets



#### Estimate assumptions:

- Forecasts are made through FY2033 based on estimate values from the Daiwa Medium-term Macro Model by the Daiwa Institute of Research. From FY2034 onwards, we extend these values using the average growth rate in the Daiwa Medium-term Macro Model.
- The products comprising the chart provisionally sets the rate of household financial assets at the end of FY2023 as largely unchanged, while assuming that, from FY2025 onwards, securities grow at a total annual average rate of 5.68% (+3% vs. total financial assets) based on market price factors and net capital increase factors, and assumes an average annual shift from cash and deposits to securities of 0.5%.

(Source) Created by the Daiwa Institute of Research based on the following: "2019 National Household Structure Survey" by the MIC, "Household Projections for Japan (National Estimates)" (2024 Estimates) by the IPSS, "Flow of Funds Accounts" by the BOJ, and "Medium-term Forecast of the Japanese Economy" (2024) by the Daiwa Institute of Research.

## The shift “From savings to investment” is gaining momentum

Japan's stock market and household financial assets have expanded significantly compared to 2021. The NISA system in particular has grown tremendously, driven by the expansion of the tax-exempt limit, the removal of the holding period limit, and the permanent implementation of the system.

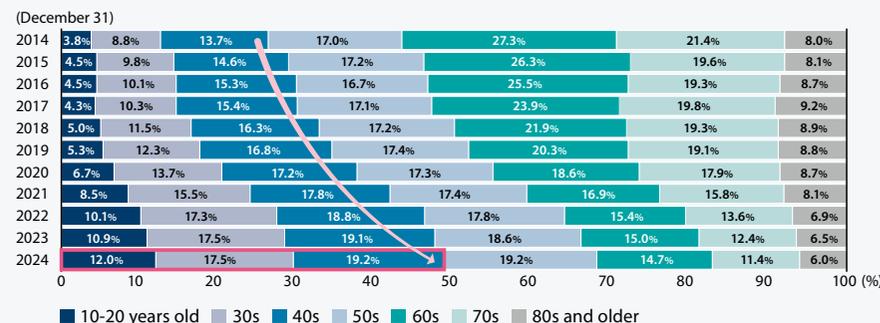
	2021	2025	Growth rate
Nikkei Average	¥28,771.07*1	¥35,617.56*4	+24%
Market capitalization of TSE	¥762 trillion*2	¥947 trillion*4	+24%
Household financial assets	¥2,042 trillion*3	¥2,230 trillion*5	+9%
Number of NISA accounts	17,650 thousand*3	25,600 thousand*5	+45%
NISA purchase amount (cumulative)	¥25.5 trillion*3	¥52.7 trillion*5	+107%

\*1 October 1 \*2 October 31 \*3 December 31 \*4 March 31 \*5 December 31, 2024

Sources: Market capitalization of TSE: Market Capitalization (Japan Exchange Group); household financial assets: Flow of Funds Accounts Statistics (Bank of Japan); number of NISA accounts, purchase value: (Financial Services Agency)

## Age distribution of NISA account holders

At the end of December 2014, when the NISA system was launched, the majority of account holders were 60 years old or older. However, the proportion of younger people has increased year by year, with about half of account holders under 40 years old at the end of December 2024.



Source: Excerpt from the Financial Services Agency “Results of Survey on NISA Account Use” and the “White Paper on the New NISA System 2024” prepared by the Japan Securities Dealers Association.

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### The asset management business of Daiwa Securities Group

The Group has set **maximizing customer asset value** as the Basic Group Management Policy in the Medium-Term Management Plan. We have positioned wealth management and asset management as our core businesses, and clarified our determination to strengthen these areas. By working together across the Group to speed implementation of the initiatives below, we will contribute to the growth of the Japanese economy and to higher asset income for people in this country.

#### Strategy 01: Approach to improving talent development and other asset management capabilities

##### 1 Expanding the lineup of investment products

The Group will enhance its asset management capabilities by expanding its product lineup to meet the needs of investors. Specifically, we will broaden our range of alternative investment products, such as the Daiwa Blackstone Private Credit Fund (BCRED), a publicly offered investment trust that invests in unlisted private credit funds, and the Daiwa Blackstone Infrastructure Fund (BXINFRA), which invests in infrastructure assets.

In addition, we established Global X Japan in 2019, the only asset management company in Japan specializing in ETFs, as a joint effort with US-based Global X. We are working to improve our asset management capabilities in structuring thematic ETFs by drawing on Global X's expertise in ETF management.

#### Publicly offered investment trusts providing access to alternative assets

May 2022	Daiwa WiL3 Venture Capital Fund
May 2023	Daiwa Blackstone Private Credit Fund
Feb. 2025	Daiwa Blackstone Infrastructure Fund
Apr. 2025	KKR Private Markets Equity Fund
Jun. 2025	Blackstone Private Credit JPY Fund (Monthly Distribution Type)

##### 2 Develop and retain talent to enhance asset management capabilities

##### 3 Reinforce the management framework

For details, please refer to the following press release.  
<https://ssl4.eir-parts.net/doc/8601/tdnet/2381531/00.pdf>

#### Strategy 02: Initiatives to improve governance and reinforce the governance framework

##### 1 Establishment of Product Governance Committee

Under the leadership of management, Daiwa Asset Management is committed to maintaining and strengthening a framework in which all products are properly structured and managed with a customer-first approach. To clarify this framework, we formulated a policy on product governance and established a Product Governance Committee.

Meeting Characteristics	Outline
Objective	<ul style="list-style-type: none"> <li>• Maintain, improve the quality of products managed by Daiwa Asset Management, including management status, product features, and disclosure</li> </ul>
Frequency	<ul style="list-style-type: none"> <li>• Quarterly</li> </ul>
Outcomes	<ul style="list-style-type: none"> <li>• Identify unsuccessful funds</li> <li>• Encourage the redemption of small funds</li> <li>• Verify ESG funds</li> <li>• Clarify rules for drafting monthly fund reports, etc.</li> </ul>



##### 2 Reinforcing governance by inviting outside directors

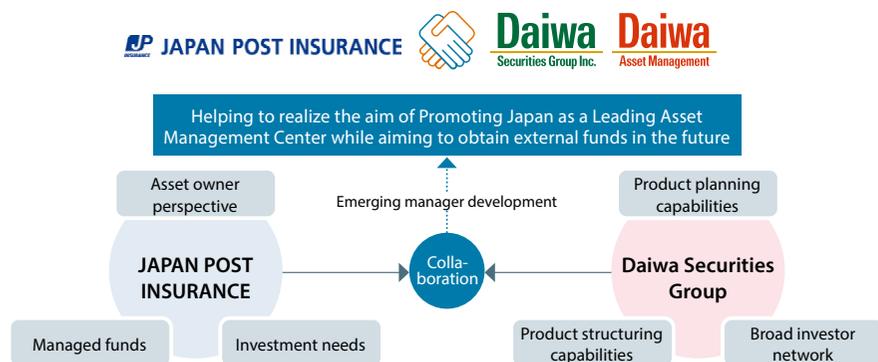
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### Strategy 03: Efforts to support Emerging Managers Program (EMP)

In February 2025, in collaboration with JAPAN POST INSURANCE, the Group launched the Emerging Managers Program, which targets funds managed by emerging asset management firms and seeks to offer new investment opportunities and supply capital smoothly to companies. As the Group's own initiative, we established an EMP investment program to invest in the management strategies of emerging asset managers. Through activities like these, we hope to contribute to the development of emerging asset management firms in Japan and more broadly contribute to the government's aim of Promoting Japan as a Leading Asset Management Center by supplying growth capital to both startups and mature companies.

#### Initiative with JAPAN POST INSURANCE

JAPAN POST INSURANCE and Daiwa Securities Group are working together on the EMP, which seeks to invest in funds managed by emerging asset managers. Daiwa Asset Management will act as gatekeeper for the program, while JAPAN POST INSURANCE will invest approximately ¥50 billion in funds to be managed by emerging asset managers over a five-year period.



For details on initiatives with JAPAN POST INSURANCE, please refer to the following press release. <https://ssl4.eir-parts.net/doc/8601/announcement21/108129/00.pdf>

For details, please refer to the following press release. <https://ssl4.eir-parts.net/doc/8601/tdnet/2381531/00.pdf>

### NISA initiatives at Daiwa Securities Group

The Group is actively promoting NISA to a wide range of customers through seminars and campaigns by Daiwa Securities and Daiwa Connect Securities.

#### Daiwa Securities

- › Actively propose NISA to high-net-worth individuals as the basis of consulting
- › Promote NISA on a dedicated page of the website
- › Hold webinars and in-person seminars to broadly promote NISA, including to asset-building customers

#### Top purchase amounts in Daiwa Securities NISA accounts (Investment trusts, FY2024)

- iFree S&P500
- iFree Nikkei 225
- Daiwa Dynamic India Equity Fund
- AllianceBernstein US Growth Equity Fund



Daiwa's NISA (In Japanese only)

#### Daiwa Connect Securities

- › Through campaigns and TV commercials, we are promoting NISA to asset-building customers, focusing on Mainichi (Daily) Investment Trusts (installments starting from ¥100 per day) and Credit Card Tsumitate (installments of ¥1,000–¥100,000 per month)



Daiwa Connect Securities (In Japanese only)

#### Daiwa Asset Management ▶ P57 Offering attractive NISA-eligible funds

- › The amount of capital inflows into NISA-eligible funds in FY2024 was ¥1.03 trillion yen, ranking third in the industry\*
- › Published videos aimed at helping retail investors build assets

\* Excluding ETFs. According to a Daiwa Asset Management survey.

## Realizing the Aim of Promoting Japan as a Leading Asset Management Center

### Financial and economic education initiatives

Leveraging the knowledge and expertise cultivated through our securities business, the Group provides financial and economic education to people across generations, with the aim of helping them acquire the skills to manage assets and make informed financial decisions. We are reinforcing our promotion framework in cooperation with Daiwa Securities and other Group companies: Under the Head of Financial Education at Daiwa Securities Group Inc., we have established a Financial and Economic Education Promotion Office at Daiwa Institute of Research and an Asset Management Promotion Center at Daiwa Asset Management. We set a goal of providing financial and economic education to 2.5 million people between 2005 and FY2030; as of FY2024, we had provided such education to a total of 1.79 million people.



On-site classes

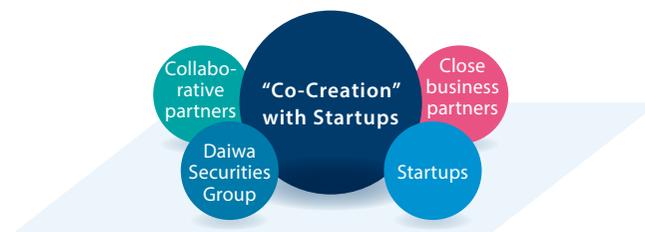
### Initiatives by target audience

	Elementary, junior high, and high school students and teachers	University students and young working adults (18–29 years old)	Working adults and seniors
Provision of teaching materials	Providing teaching materials to promote financial and economics classes		
Classes	Classes for children and students	Life plan seminars	
	Training for teachers	Endowed courses for universities	
Web content	Raising awareness and promoting investment through game apps, etc.		
	Streaming of webinars and videos on investment information, etc.		

### Co-Creation with startups

The Group is actively addressing a wide range of societal challenges by co-creating value with startups that are generating new value and innovative businesses, in collaboration with external and strategic partners. By providing a startup support framework that leverages the Group's comprehensive strengths and partner networks, we aim to contribute to the growth of the Japanese economy.

 For details on Co-Creation with startups, please refer to the following website. [https://www.daiwa-grp.jp/activities/20250401\\_700.html](https://www.daiwa-grp.jp/activities/20250401_700.html) (In Japanese only)



### Co-Creation programs

Support for growth	Listing support	Other support
Business matching	Listing procedures	M&As
Fundraising	Constructing equity stories	Intellectual property support
Support through collaboration	Introductions to IPO-related personnel	Providing secured loans

### Daiwa Innovation Network (DIN)\* (Daiwa Securities business matching event)

- ◆ Held: For more than 10 years
- ◆ 246 events in total
- ◆ Over 1,500 startup ventures featured on stage (as of February 28, 2025 / total number of events)



DIN venue (pitch session)

### Daiwa Innovation Network Summit (One of Japan's largest networking events for startup executives)



Opening remarks by CEO Ogino

Time for conversation

\* Name given to business matching events between startups and large firms provided by Daiwa Securities.

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### Daiwa Securities Group Co-Creation Partners

