Daiwa Securities Group

Integrated Report

2026

Year ended March 31, 2026

Corporate Principles

Since the start of operations in 1902, each and every employee has been creating the history of the Group. Our Corporate Principles, which serve as the guiding spirit that employees should hold dear and the foundation of the Group's management, reflect our determination to look back on the Group's history and to further strengthen the relationship of trust with society.

Building trust

The trust and approval of customers form the very foundation of the Daiwa Securities Group. The Group will always place the needs of customers first, and strive to develop the advanced, specialized skills to offer them the most attractive products and services of any securities group.

Placing importance on personnel

The source of the Group's competitiveness lies in the capabilities of its employees. The Group will promote the creativity of employees by offering them a challenging and self-directed working environment that encourages their abilities and appropriately rewards their contributions.

Contributing to society

The Daiwa Securities Group will seek to benefit the economy and society through the development of healthy financial markets. In addition to scrupulously observing both regulations and internal policies, the Group will strive to maintain a high sense of morality and duty, endeavoring to continue contributing to the sustainable growth of the societies in which we operate.

Maintaining healthy earnings results

The Group will always seek to develop healthy business operations and to increase corporate value for the benefit of shareholders. By providing customers with attractive products and services, the Daiwa Securities Group will seek to generate strong profits and healthy returns for shareholders.

Daiwa Spirit

We have nurtured our corporate culture since the foundation of our business. Based on our Corporate Principles, we have also taken steps to crystallize the basic philosophy and mindset of the Group inherent in our culture to be manifested as the Daiwa Spirit. The Daiwa Spirit enhances employees' sense of unity and togetherness and thus the Group's overall strength.

1. Exercises self-discipline and complies fully with the law, recognizing that sustainable growth hinges on winning the trust of customers, financial and capital markets, and society at large.
2. Secures sound profits by contributing to societal and economic development through its actions in financial and capital markets.
3. Exerts unflagging efforts to build strong, sustainable, trust-based customer relations.
4. Continues to pioneer products and services in financial and capital markets, with each employee fulfilling his/her mission with confidence and pride.
5. Cultivates unbeatable competitiveness to overcome challenges, underpinned by strong company-employee trust and solidarity between colleagues.
6. Aims to be the securities group with the highest ambitions, a positive attitude that turns hardships into opportunity, and unmatched speed.

Vision 2030

Creating a prosperous future through financial and capital markets

Basic Group Management Policy (Medium-Term Management Plan "Passion for the Best" 2026)

Maximize Customer Asset Value

Editorial Policy

Publication of Daiwa Securities Group Integrated Report 2026

We have prepared this Integrated Report with the aim of conveying the overall picture of value creation at Daiwa Securities Group to stakeholders in an easy-to-understand manner, to gain deeper understanding and greater support. The trust of customers has always been at the core of the Group's corporate activities. This trust—which is the firm foundation for our sustainable growth and enhanced corporate value—is the starting point for all of our efforts.

We hope this report will also serve as a tool to promote dialogue with our stakeholders, which will lead to the further enhancement of our corporate value. The Group considers such dialogue to be a key element of management—we have taken seriously the invaluable feedback and advice received from stakeholders, and have reflected this in the content of this report.

In addition to the progress made in the second year of our three-year Medium-Term Management Plan, which ends in FY2026, and pending issues, the 2026 edition presents details of our capital strategy and future growth plans from both the financial and non-financial perspectives while incorporating the views of outside directors and the management team. At the same time, the Report begins by outlining Daiwa Securities Group's competitive advantage and growth opportunities from the perspective of Why Daiwa? / Why Now?, and is structured in a manner that clearly conveys the Group's unique value proposition.

Our hope is that this report will help our stakeholders better understand the Group's stance of pursuing both stability and growth on the basis of trust, and more fully communicate the appeal of Daiwa Securities Group.

With the aim of communicating the history, current, and future value creation activities of Daiwa Securities Group to stakeholders in an easy-to-understand manner, we have selected information on important points and efforts over the last year. In identifying information to be presented as well as the composition of the Report, we referred to the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 produced by the Ministry of Economy, Trade and Industry and the International Integrated Reporting Framework of the IFRS Foundation.

Environment Social Governance
Guidance for Collaborative Value Creation

Note: Please send your comments and questions here:
https://www.daiwa-grp.jp/ir/english/inquiry.html

Information Disclosure Framework

Daiwa Securities Group engages in the disclosure of information in an effort to help stakeholders understand its value creation story through a variety of channels. In enabling stakeholders to refer to the appropriate channel based on their purpose, every effort is being made to ensure the transparent disclosure of information and to foster a better understanding of the Group.

Disclosure by major theme

Topics of interest	Main disclosure media
Overall picture of value creation	Integrated Report (this publication) https://www.daiwa-grp.jp/english/ir/toolkit/annualreport/
Strategy/Direction	Presentation materials (Management Strategy Meetings, etc.) https://www.daiwa-grp.jp/english/ir/presentation/
Earnings/Progress	Financial Summary https://www.daiwa-grp.jp/english/ir/toolkit/briefs/ Earnings Announcement https://www.daiwa-grp.jp/english/ir/presentation/
Financial/ Non-Financial Data	Securities Report https://www.daiwa-grp.jp/english/ir/toolkit/report.html
Sustainability	Sustainability site https://www.daiwa-grp.jp/english/sustainability/ Sustainability Data Edition https://www.daiwa-grp.jp/english/sustainability/data/dataedition.html Climate-related Disclosures https://www.daiwa-grp.jp/english/sustainability/environment/tcfd.html
Governance	Governance site https://www.daiwa-grp.jp/english/about/governance/ Corporate Governance Report https://www.daiwa-grp.jp/english/about/governance/pdf/corporate_governance_report.pdf

Main disclosure media for shareholders and individual investors

· Notice of Convocation of the General Meeting of Shareholders

https://www.daiwa-grp.jp/english/ir/shareholders/meeting/

· Business Report

https://www.daiwa-grp.jp/ir/toolkit/business_report.html (In Japanese only)

· IR site for individual investors and shareholders

https://www.daiwa-grp.jp/ir/digest/ (In Japanese only)

Why Daiwa? Reasons for Choosing Daiwa Securities Group

Throughout a history spanning more than 120 years, the Group has grown hand-in-hand with Japan's capital markets, cultivating a long-term, personalized consulting approach that supports customers across generations. Against this backdrop, and going beyond the traditional boundaries of securities services, we provide consulting services that take a holistic view of our customers' overall assets and address a wide range of asset-related issues, including real estate and business succession. To this end, we have worked with an unflinching resolve to transition to a wealth management business model since 2017. As an industry pioneer, we eliminated product-specific sales targets as part of this transformation. With our Basic Group Management Policy of **maximizing customer asset value** shared across the Group, we pursue the sustainable enhancement of both corporate and shareholder value, with a focus on improving customer satisfaction. Furthermore, by fostering the growth of the people responsible for creating value, and making the most of digital technology in our business, we will further enhance our total asset management business model.

Taking the lead in promoting a wealth management business model

2017
Shifted to a bottom-up sales structure, including the elimination of product-specific sales targets, and launched sales activities centered on customers' needs

2019
Established a system centered on the evaluation of customer profitability and level of satisfaction; transitioned to a management approach that focused on growth by accumulating assets under custody

2025
Established the Maximize Customer Asset Value Council and Maximize Customer Asset Value Meeting; put in place a management structure to further deepen transformation

	FY2015	FY2020	FY2025
Assets under custody*1	¥51 trillion	¥75 trillion	¥104 trillion
Amount of asset inflow*2	¥0.6 trillion	¥0.4 trillion	¥1.6 trillion

P22 Wealth Management Strategy

Human capital x digital technology: The foundation for the Group's transformation

Number of CFP accredited staff (a leader in the industry): **1,775***3

Engagement score
Digital transformation initiatives: **77%***3

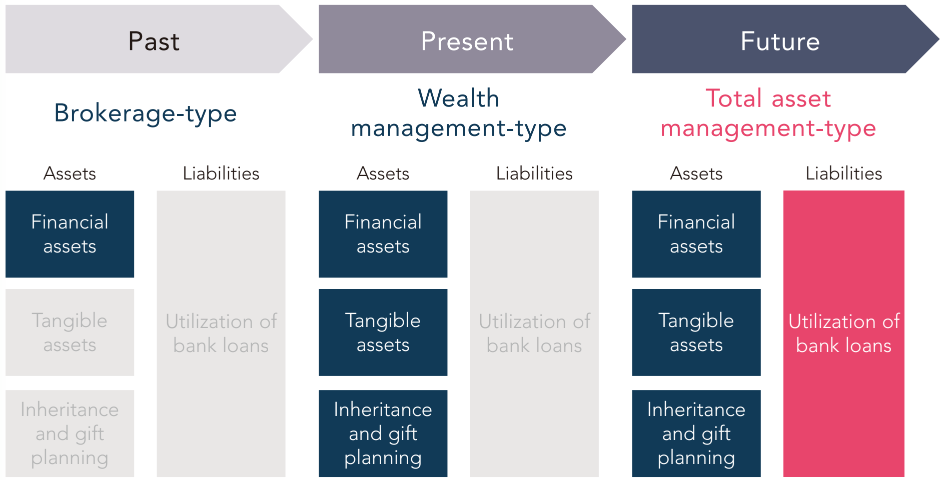
We recognize that people are the source of our competitive strength. While continuing to hone their high level of expertise, each and every employee is working to acquire digital skills, including AI. By combining this business expertise with digital skills, we are working with our employees to create added value that addresses the increasingly complex and sophisticated needs of our customers.

P48 Source of Value Creation

*1 Daiwa Securities (as of the end of the fiscal year) *2 Wealth Management Division (Daiwa Securities)
*3 As of the end of FY2025

Carving out a new stage for the wealth management business model through the integration of securities and banking

Daiwa Securities Group has continued to augment its wealth management business model, with the securities business at its core. For example, the announcement in April 2026 that ORIX Bank would become a wholly owned subsidiary was a step toward further deepening the Group's securities-centric consulting capabilities and further evolving into the total asset management business model that supports customers' asset building and succession planning at an even higher level. As a result, our scope of engagement with customers will expand from a focus on securities to encompass all financial assets and, moreover, to include their financing needs. By combining asset-side portfolio optimization with financing solutions, we will be able to address customers' needs from both the asset and liability sides, helping them optimize their overall balance sheets without necessarily disposing of assets. This in turn helps to optimize the balance sheet from both the asset and liability sides. In this manner, we will continue to provide high-value-added consulting services that are tailored to each customer's individual life plan going forward.



P39 Acquiring ORIX Bank as a subsidiary

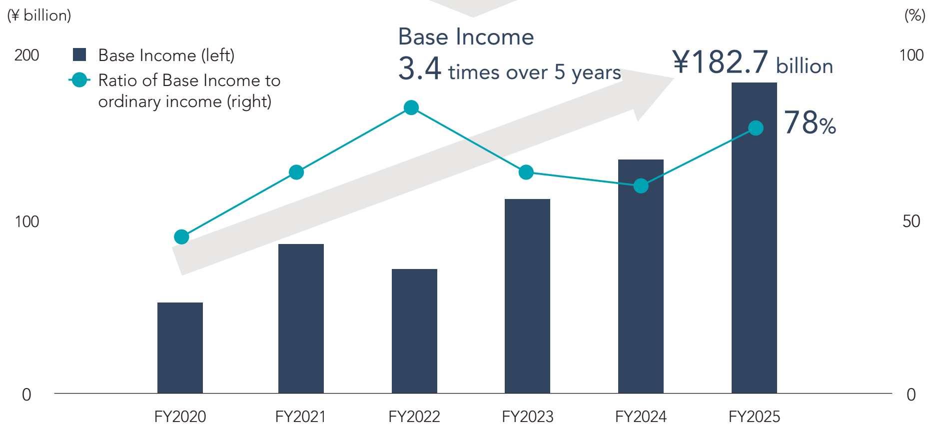
Why Daiwa? Reasons for Choosing Daiwa Securities Group

Stable profit-generating capability

The securities industry is inherently susceptible to market fluctuations. However, for Daiwa Securities Group, whose mission is to stand with its customers over the long term, the stability of our business is not only a commitment to our customers but also the foundation for remaining a sustainable enterprise. Based on this understanding, we have positioned the establishment of a stable revenue base that is resilient to market fluctuations as a key management priority, and identified Base Income as a KPI under our current Medium-Term Management Plan. Base Income refers to total ordinary income from the WM Division, Securities AM, and Real Estate AM, and serves as an indicator of the Group's ability to generate stable revenue.

In the WM Division, asset-based revenues, such as agency fees for investment trusts, investment advisory fees, and bank agency fees, form the core of the Group's stable revenue through the accumulation of assets under custody. Securities AM and Real Estate AM have an earnings structure through which fee income is earned based on assets under management (AUM), with an increase in AUM leading to steady profit growth. Through the steady accumulation of profits stably generated from this earnings base, we will achieve the sustained growth of Base Income.

WM Division	Securities AM	Real Estate AM
Asset-based revenues	AUM	AUM
¥123.2 billion (FY2025)	¥44 trillion (2025 fiscal year-end)	¥1.7 trillion (2025 fiscal year-end)
2 times over 5 years	2 times over 5 years	1.5 times over 5 years



P18 Overall Picture of the Growth Strategy

Gaining a competitive advantage through collaboration between the WM and GM&IB Divisions

The source of this steady profit growth and the stability that drives our resilience to market fluctuations is grounded in the Group's unique business structure. As an independent, full-service securities group rooted in the financial and capital markets, the Group operates the WM Division, responsible for asset building and wealth management, and the GM&IB Division, which is active in the wholesale domain. The two divisions complement one another, creating a virtuous cycle in which the strengths of one enhance the competitiveness of the other.

Supported by the accumulation of assets under custody, the WM Division's robust customer base serves as a source of diverse investment needs across a wide range of products. This in turn helps the GM&IB Division improve its product structuring and execution capabilities. Meanwhile, leveraging its global network, advanced expertise, diverse product structuring capabilities, and financing functions, the GM&IB Division provides attractive investment opportunities and solutions to WM Division customers, thereby helping to **maximize customer asset value**.

For the very reason that we adhere strictly to our independence while prioritizing "what is best for the customer" as opposed to "what to sell," we will always stand in our customers' shoes and provide solutions that are truly tailored to their needs. This virtuous cycle constitutes the Group's competitive advantage, enabling us to create unique added value for our customers and expand earnings opportunities in a multifaceted manner.

P32 GM&IB Strategy

Steady results in profit growth and ROE

As a result of efforts aimed at enhancing its management structure while adapting to changes in the market environment, the Group has achieved steady improvements in both profitability and capital efficiency. From a medium- to long-term perspective, ordinary income has expanded significantly, with clear indications of an improvement in ROE and dividends per share. To solidify this virtuous cycle in which improved customer satisfaction leads to enhanced corporate value, which in turn helps to increase shareholder value, we will continue to pursue sustainable profit growth while enhancing shareholder returns.

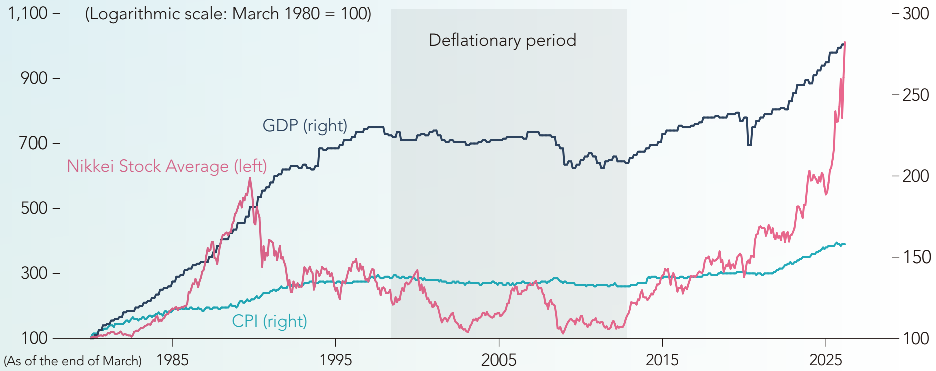
	FY2020 results	FY2025 results	Changes over five years
Ordinary income	¥115.1 billion	¥234.5 billion	+103.6%
ROE	8.5%	10.3%	+1.8pt
Dividend per share	¥36	¥64	1.7 times

P96 Key Financial Data

Why Now? Growth Opportunities Emerging from Structural Change in Japan's Market

Structural transformation of the Japanese economy

After several decades of deflation and low growth, the Japanese economy is undergoing a structural transformation. In addition to inflation, economic growth, and structural upswing in the stock market not seen since the 1980s, Japan is experiencing a transition to an era of positive interest rates and a shift "from savings to investment," backed by government policies. Rather than a single factor, the accumulation of multiple factors is propelling the Japanese economy into a new phase. We believe this environment presents an unprecedented business opportunity for the Group.



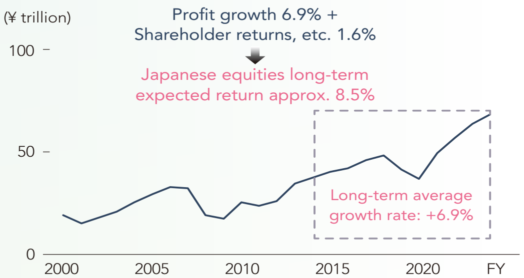
Note: Nikkei Stock Average shown on a logarithmic scale excluding dividends (as of the end of May 2026); CPI before seasonal adjustment (as of April 2026); GDP after seasonal adjustment (as of March 2026)

(Source) Compiled by Daiwa Securities based on Bloomberg data.

Upside potential backed by solid corporate results

Against the backdrop of a transition to an inflationary economy, Japanese stocks are in a phase where long-term growth expectations are likely to persist. When corporate earnings growth is combined with enhanced shareholder returns, the long-term expected return on Japanese stocks is estimated to be around 8.5%, indicating significant stock market upside potential.

Ordinary income trend of Japanese companies*



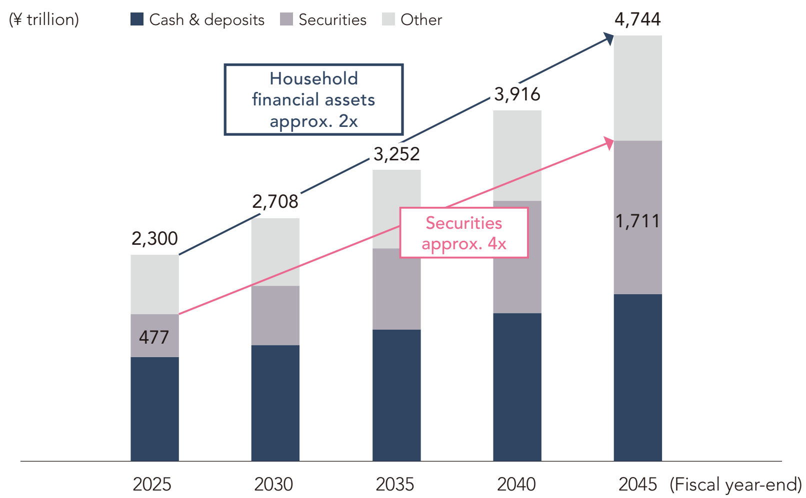
* Latest data through FY2024. Companies with capital of ¥1 billion or more, excluding financial and insurance industries. Prepared by Daiwa Securities from the MOF Financial Statements Statistics of Corporations. Profit growth 6.9% is the 3-year average over the past 10 years as of FY2024. The average EPS uplift from share buybacks and valuation expansion is estimated at approximately 1.6% combined.

Outlook for sustainable growth in the wealth management business

Based on future projections, household financial assets are expected to roughly double over the next 20 years, with securities forecast to increase by a factor of roughly four. As the Japanese economy emerges from a period of lengthy deflation and transitions to a full-fledged inflationary economy, the shift "from savings to investment" is no longer a temporary phenomenon and is becoming well-established as a structural and irreversible change.

To build wealth that is resilient to inflation and foster a financial asset composition that enables households to broadly benefit from corporate growth, there is room for an increasingly fast-paced shift toward risk assets. The government is moving toward raising the proportion of stocks, investment trust funds, and bonds in household financial assets from the current level of just over 20% to a new target of 40% by 2040. Policy support, including the new NISA, is further accelerating this trend. Amid this continued market expansion, the potential exists for the wealth management business to significantly grow.

Projected household financial assets



(Assumptions) Estimates for FY2025 and beyond by Daiwa Securities based on performance data up to FY2024. Daiwa Institute of Research mid-term forecast (January 2026) projects nominal GDP growth rate (FY2025–FY2035 average) of 2.95%. Nominal GDP growth rate is assumed for the expansion of cash & deposits, bonds, equities, investment trusts, and other balances (insurance, overseas equities, etc.). Each year, 0.5% of cash & deposits is assumed to shift to securities (bonds, equities, investment trusts). Allocation ratios reflect prior-year balance shares. In addition to inflows from cash & deposits, equities and investment trusts are assumed to grow 3% per year relative to prior-year balances (total annual growth rate of these assets: 5.95%). From FY2034: FY2025–FY2035 average growth rate is assumed to continue.

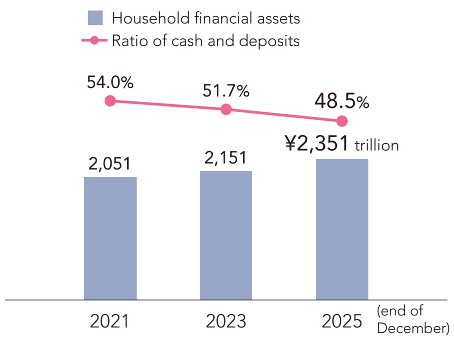
(Source) Compiled by Daiwa Securities based on Bank of Japan data.

Why Now? Growth Opportunities Emerging from Structural Change in Japan's Market

The shift "from savings to investment" gaining momentum

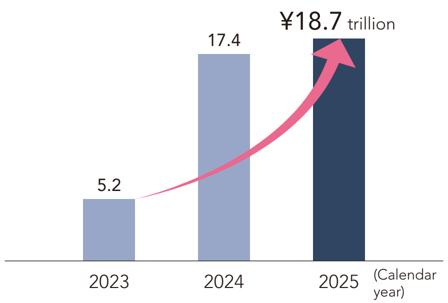
The proportion of cash and deposits in Japanese households' financial assets fell below 50% in 2025. One factor behind this trend is the expansion of the new NISA system. In 2025, the purchase amount from NISA accounts totaled ¥18.7 trillion, and the number of accounts exceeded 28 million. As a result, approximately one in four adults in Japan now holds a NISA account. Amid the change in individuals' attitudes toward asset building and enhancements to the institutional framework, the shift "from savings to investment" is accelerating rapidly.

Trends in household financial assets



(Source) Bank of Japan, Flow of Funds Accounts

Trends in NISA purchase amounts at financial institutions



(Source) Financial Services Agency (FSA)

Market growth potential revealed by the Japan-U.S. gap

Household financial assets in Japan continue to maintain a high proportion of cash and deposits. There is also a significant gap in expected investment returns compared with the U.S. This gap in fact represents Japan's potential for growth. Should corporate management reforms and other measures lift profitability to U.S. levels and the proportion of risk assets rise to 40%, investment returns are projected to expand from ¥43.8 trillion to ¥92.4 trillion. This aligns with the government's Doubling Asset-based Income Plan. For the Group, which is committed to **maximizing customer asset value**, this is not just a business opportunity, but represents our mission to enhance the nation's growth potential and build a prosperous future.

	Japan	U.S.	Japan-U.S. gap
Household financial assets	¥2,351 trillion	¥22,539 trillion	
Ratio of risk assets	24.7%	50.3%	
Expected investment returns (Next 1 Year)	¥43.8 trillion	¥1,257.0 trillion	29 times

Note: Data as of the end of 2025 for both Japan and the U.S.
(Source) Compiled by Daiwa Securities based on Bank of Japan and Daiwa Institute of Research data.

Accelerating corporate action

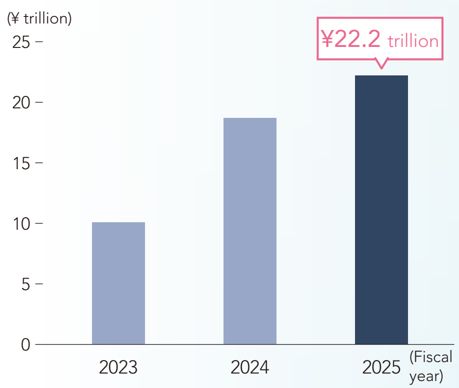
Japan's corporate sector is undertaking a major shift toward management practices that prioritize capital efficiency. Behind this shift is a change in companies' awareness toward corporate governance. Since the Tokyo Stock Exchange requested corrective action from companies with a PBR below 1 as of the end of March 2023, interest in management practices that take capital costs and stock prices into consideration has increased significantly. While announced share buyback programs have remained at high levels since FY2024, both the number and value of M&A deals have reached record highs, accelerating corporate action on an unprecedented scale. This shift in corporate posture is expected to underpin Japanese stocks over the medium to long term. Coupled with individuals shifting "from savings to investment," the acceleration of corporate action represents another structural change that is bolstering Japan's capital markets.

Major TSE and FSA developments affecting listed companies (since 2022)

April 2022	TSE revised its market classifications to Prime, Standard, and Growth
March 2023	TSE requested actions to implement management conscious of the cost of capital and stock price
January 2024	TSE began publishing a list of companies that have disclosed their actions (to make the capital cost request more transparent)
November 2024	The FSA requested a reduction in cross-shareholdings
July 2026	Revision of the Corporate Governance Code Request for companies to verify the effective use of cash and deposits and enhance accountability
October 2026	Initial scheduled periodic rebalancing for transition to the new TOPIX (start of full-scale stock selection based on liquidity criteria)

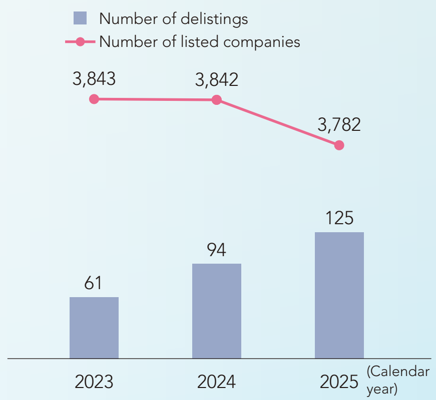
(Source) Compiled by Daiwa Securities based on various materials.

Announced amounts of share buybacks by fiscal year



Note: TOPIX constituent companies
(Source) Compiled by Daiwa Securities based on Quick data

Number of TSE-listed companies declines for the second consecutive year



Note: Excludes TOKYO PRO Market
(Source) Japan Exchange Group

Contents

Forward-Looking Statements

This Integrated Report contains forward-looking statements about the Daiwa Securities Group. You can identify these statements by the fact that they do not relate strictly to historic or current facts. These statements discuss future expectations, identify strategies, contain projections of results of operations or of financial condition, or state other "forward-looking" information. These statements are based on currently available information and represent the beliefs of the management of the Daiwa Securities Group. These statements are subject to numerous risks and uncertainties that could cause the Daiwa Securities Group's actual results, performance, achievements or financial condition to differ materially from those described or implied in the forward-looking statements. The Daiwa Securities Group undertakes no obligation to publicly update any forward-looking statements after the date of issuance of this report. These potential risks and uncertainties include, but are not limited to: competition within the financial services industries in Japan and overseas, our ability to adjust our business focus and to maintain profitable strategic alliances, volatile and sudden movements in the international securities markets, and foreign exchange and global economic situations affecting the Daiwa Securities Group. "FY2025" refers to the fiscal year ended March 31, 2026, and other fiscal years are referred to in a corresponding manner.

In the event that any material corrections are made to the content of the Integrated Report, an erratum will be posted on the Group's website. https://www.daiwa-grp.jp/english/ir/toolkit/annualreport/

Message from the CEO

Maximizing customer asset value through integrated asset and liability solutions

Akihiko Ogino
President and CEO
Daiwa Securities Group Inc.

Message from the CEO

A new growth phase for the Japanese economy

Over the past year, the Nikkei Stock Average (Nikkei 225) has risen from around ¥40,000 to more than ¥70,000. Part of this rise has been driven by a limited number of stocks, including AI- and semiconductor-related stocks, but fundamentals, including corporate earnings, have remained solid overall. We view the return of positive interest rates as evidence that the Japanese economy is undergoing a structural transformation from deflation to inflation. As inflation takes hold, the shift "from savings to investment" is becoming increasingly evident, with the share of cash and deposits in household financial assets falling below 50%. Looking further ahead, we estimate that the Nikkei 225 could reach approximately ¥300,000 by 2045 if the long-term expected return on Japanese equities remains at around 8.5%—based on the growth rate of ordinary income achieved by Japanese companies over the past decade, as well as shareholder returns and other factors.

I joined Daiwa Securities in 1989, when the Nikkei 225 closed the year at a then record high of ¥38,915. However, it took a full 34 years and 2 months for the index to surpass that level. That period spanned my entire journey from joining the Group as a new employee to my appointment as CEO—during which equity markets in the U.S. and Europe increased more than tenfold. Japan is now entering a virtuous cycle in which robust capital markets continue to function effectively, with corporate value creation driving broader economic growth, which in turn supports higher stock prices. Daiwa Securities Group must play a leading role in sustaining and strengthening this virtuous cycle. This, I believe, is precisely what the Group's vision of creating a prosperous future through financial and capital markets is all about.

P2-5 Why Daiwa? / Why Now?

Progress under the Medium-Term Management Plan exceeds expectations: Building consulting excellence as an organization

In FY2025, the second year of our three-year Medium-Term Management Plan, Base Income and other key management indicators generally progressed at a pace exceeding our initial expectations. Even after factoring in favorable market conditions, I remain confident in the direction of our strategy. Guided by our Basic Group Management Policy of **maximizing customer asset value**, we have further strengthened our total asset consulting approach, providing advice that is increasingly aligned with customers' needs. The KPI I place the greatest emphasis on is Base Income. This represents the combined ordinary income of the Wealth Management (WM) Division, Securities Asset Management, and Real Estate Asset Management, reflecting our focus on building businesses that are relatively less dependent on market conditions. In FY2025, we recorded consolidated ordinary income of ¥234.5 billion and Base Income of ¥182.7 billion. In other words, we are steadily building stable, high-quality earnings that are less susceptible to market fluctuations, while our FY2026 ordinary income target of ¥240 billion or more, as set out in the Plan, is now well within reach. I believe our strengths lie in our ability to gain an in-depth understanding of customer needs through dialogue and provide advice that responds appropriately to constantly changing capital markets. Going forward, we will continue to refine these consulting capabilities, build stronger relationships with customers, and earn even greater trust. In terms of expanding opportunities to engage with new customers, we continue to broaden areas in which we can deliver the Group's consulting services, not only through our own efforts but also through various partnerships and alliances in areas we cannot fully cover on our own.

Many of the financial products we offer, including investment trusts and fund wraps, are also available in similar forms from our competitors. What leads customers to choose Daiwa Securities, I believe, ultimately comes down to the insight and expertise of our consultants—their ability to understand customers in depth, identify their needs, and consider the most appropriate options together with them. This does not depend solely on the abilities of our individual consultants. To deliver such service consistently, a range of elements must function together as an integrated organizational framework, including education and training systems that support talent development, systems and tools for providing information to customers, a fair and transparent evaluation system for consultants, and extensive support from headquarters functions. Unless these elements work together effectively across the organization, it is difficult to deliver a level of service that truly satisfies customers. We take pride in the fact that we have carefully refined this framework over many years. Moreover, by shifting to a wealth management business model around 10 years ago and remaining firmly committed to that approach ever since, our ability to consistently think from the customer's perspective has grown stronger.

Japan has moved away from the negative interest rate environment that persisted until three years ago and now faces a positive interest rate environment. In this environment, identifying the most appropriate mix of deposit and investment products for each customer has become a key challenge across the financial industry. Deposits remain an important option from the perspective of safety and liquidity. In an environment of persistent inflation, however, it can be difficult to preserve and increase asset value over the medium to long term with savings products alone. For Daiwa Securities Group, which has securities at the core of its business, our strength lies in our ability to propose the most appropriate portfolio from a wide range of options, including both securities and deposits, taking into account each customer's asset position, risk tolerance, and long-term financial objectives.

P18 Overall Picture of the Growth Strategy
P22 Wealth Management Strategy

The rationale behind the ORIX Bank acquisition

In April 2026, we announced the acquisition of ORIX Bank as a subsidiary. At ¥370 billion, this is the largest investment in the Group's history. Under our current Medium-Term Management Plan, we have set a goal of **maximizing customer asset value**, and have been shifting toward total asset consulting to realize that goal. For example, some customers wish to leverage their existing equity holdings to secure liquidity for real estate purchases. We have also received many inquiries and requests from customers asking whether we could provide financing as part of our services. These needs tend to become more pronounced as customers' asset bases grow. Until now, however, our ability to address such needs within the Group has been limited, with our solutions largely concentrated on the asset side of customer balance sheets. Now, by bringing ORIX Bank into the Group, we will add lending capabilities on the liability side, an area that had remained largely underdeveloped within the Group, enabling us to provide more comprehensive wealth management services. For the Group, this represents an evolution toward a more balanced business model, combining wealth management advice with the ability to address customers' financing needs through banking capabilities. By supporting customers from both the asset and liability sides, I believe we can significantly expand both the value we provide and our business opportunities.

Regarding our in-house banking business, we established Daiwa Next Bank in 2011. That subsidiary has played the role of a gateway bank for moving customer funds from deposits to investments. However, as deposits accumulated to a certain level, the lack of lending and trust functions limited the bank's ability to deploy those funds effectively. Meanwhile, ORIX Bank, which was established as Yamaichi Trust Bank in 1993 and joined the ORIX Group in 1998, has carved out a leading position in the industry, mainly in the area of investment property loans, particularly loans for investment apartments. However, ORIX Bank's loan-to-deposit ratio (the ratio of outstanding loans to outstanding deposits) is in excess of 100%, and despite strong loan demand, various constraints have prevented the bank from significantly increasing its balance sheet. This is where the two banks are highly complementary. By providing the surplus funds Daiwa Next Bank has not been fully utilizing, together with the Group's strong deposit-gathering capabilities, ORIX Bank will be able to further expand its lending operations. In addition, given that the Group's substantial customer base includes high-net-worth individuals who generally have a high level of interest in real estate, Daiwa Next Bank and ORIX Bank, which has strengths in the real estate loan segment, are highly complementary partners. We expect the positive impact on our financial performance to be a 0.7%–0.8% increase in ROE from the first fiscal year after ORIX Bank becomes a subsidiary, even considering the amortization of goodwill associated with the acquisition. In addition, if we can enhance synergies through the post-merger integration, we expect the contribution to ROE to further increase to 2.1%–2.6%.

The ORIX Bank acquisition represents a significant step toward addressing a long-standing strategic challenge the Group has recognized for many years. This transaction should also be understood in the context of the Group's history. In 1993, the same year that Yamaichi Trust Bank, the predecessor of ORIX Bank, was founded, Daiwa Securities Group also launched Daiwa International Trust Bank. Subsequently, in the midst of the Japanese financial Big Bang, Daiwa Securities Group Inc. was established in 1999 as the first pure holding company among listed companies in Japan. At the time, however, with the lifting of the ban on holding companies in Japan and the establishment of a financial holding company system, the business models and regulatory frameworks governing financial groups were undergoing major revisions. Taking into account these changes in the system, the Group transferred Daiwa International Trust Bank to Sumitomo Trust Bank (now Sumitomo Mitsui Trust Bank) in 2000. I was involved as the person in charge of that divestment during my tenure in the Corporate Planning Department. I was serving as the head of the Department when Daiwa Next Bank later started up operations in 2011, but even back then, I always harbored the desire to one day have a banking function with full-fledged lending and trust capabilities back within the Group. In this respect, our acquisition of

ORIX Bank as a subsidiary is deeply meaningful to me personally, and represents a major step toward addressing this long-standing management challenge.

P39 Acquiring ORIX Bank as a subsidiary

Expanding growth through external alliances

In 2024, the Group entered into a capital and business alliance with Aozora Bank (acquiring an equity interest of 24%) and, in 2025, announced a partnership with Sumitomo Mitsui Trust Bank in the area of M&A advisory services. We have also partnered with Shikoku Bank and Bank of Iwate, deepening various collaborations. Including the ORIX Bank acquisition, the Group has steadily expanded its banking-related partnerships and alliances. Against this backdrop, I would like to take this opportunity to explain how we think about the overall strategic framework of our banking business.

Naturally, Aozora Bank also has lending and trust functions. Within the Group, however, we primarily make use of Aozora Bank's lending functions to support the financing and corporate finance needs of corporate clients, mainly in the Global Markets & Investment Banking (GM&IB) Division. In contrast, ORIX Bank mainly handles inheritance, succession, and real estate-backed loans for individual customers. As a result, it has a very strong affinity with the Group's WM Division, and its target customers and use cases differ from those of Aozora Bank. We also decided to make ORIX Bank a wholly owned subsidiary. Our thinking here was to establish a framework for the Group to be able to handle product development, pricing, and decision-making in the wealth management business at its own discretion and pace. Down the road, we plan to integrate Daiwa Next Bank and ORIX Bank, anticipating total assets of around ¥10 trillion after the integration and a potential increase in pre-tax profits of around ¥35 billion–¥42 billion by FY2030.

With regard to collaboration with regional banks, meanwhile, in many parts of regional Japan, Daiwa Securities operates only a single branch within a prefecture, which naturally limits our geographic reach. Regional banks, by contrast, often maintain extensive branch networks throughout their home regions and serve customers throughout the region. In other words, they complement our business by enabling us to reach customers in areas that would otherwise be difficult for us to serve effectively.

Moreover, amid the growing volume of M&A transactions in Japan, Daiwa Securities has its own M&A team and Daiwa Institute of Research also has M&A consulting professionals. Partnering with Sumitomo Mitsui Trust Bank in addition, we have been able to establish a framework for addressing a diverse and increasingly complex range of M&A needs in a more tailored and detailed manner. While the aim of partnerships with regional banks is to expand our customer base, the aim of the tie-up with Sumitomo Mitsui Trust Bank is to reinforce functions and expand the product lineup.

P37 Pursuing Transformative Growth

Beyond the current Medium-Term Management Plan

The vision underlying our next Medium-Term Management Plan, which starts in FY2027, can be summed up as further developing our long-standing commitment to **maximizing customer asset value**. In this context, the question of how to further develop our Global Markets (GM), Global Investment Banking (GIB), and overseas businesses, in addition to the wealth management business I referred to earlier, is also a key point in formulating the next Plan. To be sure, the GM&IB Division and the WM Division together make up the "two wheels" of the Group, but the GM&IB business involves a significant amount of invested capital and has often been a drag on ROE. Recently, however, profitability in GM and GIB has been steadily improving. GM has been making a greater contribution on the revenue front, reflecting the return to a positive interest rate environment and the strength of Japan's equity markets. In GIB as well, we are seeing a significant influx of consultations from corporate clients in relation to an array of corporate actions, including tender offers and management buyouts.

Work on the next Plan is currently underway. Given the earnings contribution expected from the acquisition of ORIX Bank, we are actively discussing how much further we can raise our ROE target above 10%, while also considering further improvements in capital efficiency and shareholder returns. We look forward to sharing the outcome of these discussions when we unveil the next Plan next spring.

I personally feel a deep sense of frustration regarding the current level of our stock price. Daiwa Securities Group Inc.'s stock price peaked in 1987, at ¥3,980 per share, but currently stands at less than half that level. We will continue to make every effort to gain greater appreciation in the market for the stability of our revenue base centered on the wealth management business—in this business, fee income accumulates on a compounding basis in line with the expansion of assets under custody, which means that it is a business marked by structural growth.

The value that only humans can create in the age of AI

Given the astounding pace of recent advances in AI technology, white-collar work is likely to be fundamentally transformed. The Group was among the first companies in Japan to adopt OpenAI's

Message from the CEO

ChatGPT, in April 2023, and since FY2025 has been using Microsoft's Copilot, Google's Gemini, and Anthropic's Claude. Our main focus through FY2025 was on fully capitalizing on AI tools, but from FY2026, we believe we have entered a phase of delivering tangible AI-driven results that directly impact business performance. Thus, we are planning to clearly indicate the contributions of AI use to revenue and costs as a management metric in the next Medium-Term Management Plan. Of course, considering the emergence of AI agents and other tools, we have built and continue to bolster a three-tiered AI, data, and IT governance system to ensure that customers can use the Group's AI services safely and with confidence.

Some observers are now raising concerns that, if AI continues to make rapid inroads into all aspects of society, white-collar work itself could eventually be disrupted or displaced. Even our consulting work could be done by AI if it merely involved making recommendations. Also, for example, if a customer were to ask an AI tool about a fund wrap that Daiwa Securities recommended, the chatbot would instantly provide an objective answer considering product features, track record, and cost-effectiveness. But it is our consultants, and not AI, who engage in in-depth communication with customers to help them make informed decisions about our proposals. Also, AI can't identify needs that customers themselves may not even be aware of. At the end of the day, consulting is less about providing information and more about helping customers articulate their concerns, organize those concerns as issues, and then offer solutions to the issues. AI excels at organizing and analyzing information, but grasping customers' unspoken anxieties and hopes for the future, and identifying their genuine needs through dialogue, is a value only humans can provide. I'm convinced that earning the trust of customers and enabling them to feel that they can entrust their future to a particular consultant, by standing by them throughout their lives, is something AI can't replace. It is a value that will remain uniquely human.

P48 Source of Value Creation

Sustainability is integral to the Group's business

Going forward, sustainability will become increasingly critical. We take pride in having pioneered new frontiers in the market, including underwriting orange bonds used to support initiatives such as gender equality projects and green bonds whose proceeds are allocated to perovskite solar cell projects. In fact, for two years in a row, Daiwa Securities has been ranked first in the league table in Japan for SDGs-related bonds. The United Nations adopted the SDGs in 2015, with 2030 set as the target year for achieving them. Now, 10 years have already passed, and we have seen growing divergence in attitudes toward sustainability around the world. In the United States in particular, since the start of the second Trump administration, there has been mounting pushback against ESG, and we are seeing the easing or rollback of regulations, as well as moves by some institutional investors and companies to withdraw from their commitments. On the other hand, among companies that have linked sustainability to their business value and competitiveness, we are also seeing instances of organizations continuing to foster environments where diverse talent can thrive and taking steps to address social issues, while reframing terminology from "diversity" and "inclusion" to words such as "belonging" and "fairness."

Under the Group vision of creating a prosperous future through financial and capital markets, we are unwavering in our stance that sustainability is inseparable from our business, both now and going forward, regardless of how the external environment changes. At the Group's Department and Branch Managers' Meeting last spring, I made the following appeal to our executives:

"For the first few years after 2016, many of you wore the SDGs badges on your jackets, representing the 17 Sustainable Development Goals, but recently I've seen more and more people not wearing them. Were those badges merely a symbolic gesture? Of course not. We started wearing the badges to express our commitment to helping address social issues related to the SDGs through our business. Let us reaffirm that commitment together and wear those badges with pride."

As I mentioned earlier, while on the surface there seems to be a widening of global differences in the degree of enthusiasm regarding sustainability, sustainability goes far beyond corporate social responsibility—it is directly linked to our business, and I believe that continuing to wear the SDGs badges

Message from the CEO

remains a meaningful expression of our commitment to sustainability and the pride we take in that commitment.

P62 Sustainability

Toward a total asset management business model

Until now, our focus has been on the shift away from a brokerage model, centered on brokering the buying and selling of individual products, to a wealth management business model. At the heart of this shift is total asset consulting, which involves managing customer assets from a medium- to long-term perspective and making portfolio proposals that take a holistic view of the customer's entire asset base, including their businesses, real estate, insurance, and other assets as well as financial assets. In addition to our capital and business alliance with Aozora Bank, our acquisition of ORIX Bank as a subsidiary will further strengthen our lending and trust functions. Just as companies consider the assets and liabilities on their overall balance sheet, individual customers also need an optimal portfolio that considers both assets and liabilities. Here, Daiwa Securities Group will now be equipped with a framework that enables us to support customers as a trusted long-term partner. In other words, the most important point is that we will be able to seamlessly respond as a unified Group to a broad array of needs, ranging from savings and borrowing to estate planning and succession, with securities functions at the core.

Going forward, we will enter a new phase focused on further evolving and deepening our total asset management business model. Note that "total" doesn't simply mean expanding the range of products and services we handle, however. To put it bluntly: I think that trying to do everything or offer everything can, in a sense, end up meaning that we do nothing particularly well or offer nothing truly distinctive. What's important is to gain a profound understanding of customers' issues and combine the necessary functions in the best possible way. The core of our business lies in our in-depth consulting capabilities dedicated to **maximizing customer asset value**. We first listen to customers' concerns and needs and then, through the consulting process, provide the products or services that meet those needs.

Also, even though the ORIX Bank acquisition reinforces our banking business, the securities business will remain at the core of what we do going forward. We will always be Daiwa Securities Group Inc.—we won't be changing the company name to something like "Daiwa Financial Group." This isn't a matter of one approach being more conservative and the other more aggressive, but companies centered on banking and those centered on securities have fundamentally different ways of thinking. It's not a question of better or worse, but if a company like ours whose backbone is the securities business leans too heavily toward a banking mindset, we could risk heading in the wrong direction. Our perspective will remain firmly rooted in securities—by adding full-fledged banking functions to that, we will realize a framework that will enable us to provide customers with a wider variety of products and services. This will be our consistent policy going forward.

Continuously evolving to keep up with the times

For more than three decades after the collapse of the bubble economy, Japan's capital markets lacked the dynamism seen in other developed countries. Recently, however, supported in part by the growing use of NISA accounts (Japan's tax-exempt small investment program), the Japanese stock market has finally started to regain momentum. Our mission at Daiwa Securities Group is to continue contributing to the development of the economy in Japan and abroad through the capital markets. In this process, we intend to continue engaging in thoughtful and constructive dialogue with all of our stakeholders, including shareholders and other investors as well as customers, business partners, local communities, and employees. We don't see meetings with investors simply as a venue for explaining the Group—we value the time spent in such meetings as a forum for frank dialogue that prompts us to reexamine the quality of our management. By bringing together wisdom from throughout the Group and listening respectfully to the views of diverse stakeholders, including shareholders and investors, and using what we learn to inform management, we will achieve sustainable evolution as an enterprise. I hope you will look forward to the future of Daiwa Securities Group as we continue to anticipate change and create new value for customers and society.

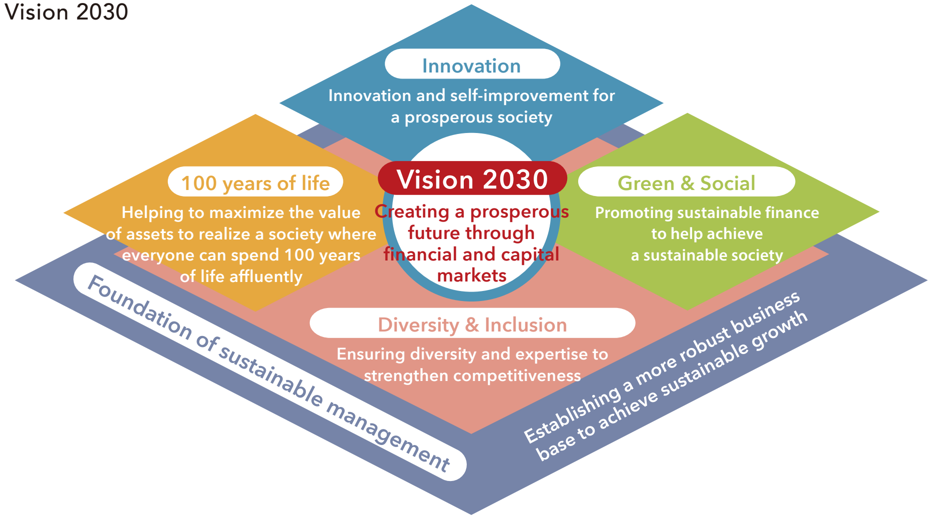
Akihiko Ogino
President and CEO
Daiwa Securities Group Inc.

Vision 2030

Materiality under our Vision 2030

The core concept of our Vision 2030 is creating a prosperous future through financial and capital markets. In an era where people are enjoying 100 years of life, we will provide high-quality solutions as professionals in the financial and capital markets, while at the same time contributing to a carbon-free society and promoting innovation inside and outside the Group in order to realize a prosperous future for all.

Vision 2030



Materiality

Diversity & Inclusion
In order to strengthen our competitiveness, we aim to become an organization in which employees can express their individuality and demonstrate their expertise, and achieve personal growth and job satisfaction.

100 years of life
In preparation for achieving a society where anybody can live comfortably in the era of 100-year lifespans, we will help to maximize the value of assets to meet the diversifying needs of customers.

Innovation
In addition to aiming to generate innovation for a prosperous society through cooperation with our partners both in Japan and overseas, we will expand the number of new business opportunities and take on the challenge of self-transformation.

Green & Social
In order to achieve a sustainable and carbon-free society, we will focus on providing financial products and services that help resolve social issues.

Foundation of sustainable management
In order to achieve these themes of 100 years of life, Innovation, Green & Social, and Diversity & Inclusion, we will make the base that supports sustainable corporate management even more robust.

Process of formulating and revising Vision 2030

In 2021, Daiwa Securities Group formulated Vision 2030, its management vision for the Group through to 2030. As part of the process, we singled out and evaluated important medium- to long-term social issues, and through dialogue with stakeholders identified Materiality.

When formulating our Medium-Term Management Plan "Passion for the Best" 2026 in 2024, we updated Vision 2030 after re-opening discussions on what kind of group we believe Daiwa Securities Group should be, including from the perspective of sustainability.

We aim to achieve our Vision 2030 goals by managing the progress of our efforts using KPIs so as to achieve a sustainable society and further improve the Group's value.

Process of identifying Materiality

Taking on Materiality and realizing **Vision 2030**

Representatives of various headquarters and Group companies will manage progress, seek to understand issues, and implement related measures.

Progress will be regularly monitored by management through committees, including the Sustainability Promotion Committee and Board of Directors.

Risks and Opportunities

Materiality	Risks	Opportunities	Key Initiatives
Diversity & Inclusion	◆ Reduced ability to adapt to environmental changes owing to the lack of diversity and flexibility, and subsequent competitive disadvantage from an HR strategy perspective ◆ Increasing difficulty in securing human resources and maintaining our customer base due to growing inequality and the severity of poverty issues	◆ Improved productivity through efforts aimed at enhancing employee engagement ◆ Attract and retain talented employees and strengthen organizational capabilities through human resources measures and health management	◆ Visualize organizational issues using engagement surveys and continuously implement improvement actions ◆ Optimize the skills and placement of human resources through the implementation of a talent management system ◆ Promote flexible work styles by expanding return-to-work support programs and flextime systems to accommodate childcare and caregiving needs ◆ Implement such measures as the establishment of a special incentive program to help employees acquire and hold the Company's shares more easily and raising salary levels
100 years of life	◆ Contraction of capital markets and deterioration of the earnings environment due to geopolitical and fiscal risks, as well as sluggish market conditions ◆ Shrinking customer base due to widening income disparities and a deterioration in regional economies	◆ Upswing in demand for asset management and succession planning due to an increase in the elderly population ◆ Long-term asset management needs and improved financial literacy ◆ Growing momentum toward regional revitalization	◆ Optimize the overall balance sheets of customers' assets and liabilities through the use of loans by strengthening banking functions ◆ Diversify investment opportunities by upgrading and expanding alternative investment products (private equity, real estate, aircraft, etc.) ◆ Expand the customer base through business alliances with regional banks and a capital and business alliance with Aozora Bank ◆ Strengthen asset management capabilities through the Emerging Manager Program (EMP) and external partnerships aimed at enhancing operations ◆ Contribute to efforts aimed at increasing the efficiency of the industry through various measures, including the development of a data sharing platform between asset management companies and trust banks ◆ Roll out measures to improve financial literacy tailored to the needs of all generations, including on-site classes, seminars, and hands-on learning experiences
Innovation	◆ Competitive disadvantage due to delays in addressing changing customer needs and insufficient service and product development capabilities ◆ Deterioration in the earnings environment and decline in relative market position due to the influx of new entrants and ongoing industry realignment	◆ Growing demand for corporate financing and M&As to realize innovation ◆ Growth in services and products through the use of AI and digital technologies ◆ Greater productivity and the creation of business development opportunities through the training of digital IT personnel	◆ Improve customer service through digital technologies, including efforts to upgrade and expand AI operator services ◆ Improve asset management capabilities through the asset visualization app (D-Port) ◆ Upgrade and expand cryptocurrency-related services and provide new investment products ◆ Invest in and partner with leading startups (including those with unlisted shares) to provide high-quality financial services
Green & Social	◆ Decline in business opportunities in industries that are subject to stricter regulations ◆ Decline in the value of held assets due to the deteriorating performance of investee companies affected by worsening social issues	◆ Mounting demand for finance and investment opportunities aimed at solving social issues ◆ Develop financial products and services that balance economic viability and social value	◆ Structure and underwrite symbolic sustainability finance instruments, such as orange bonds ◆ Expand the market and contribute to the resolution of social issues through investments in impact investment funds ◆ Promote direct investment in renewable energy (wind, solar, etc.) ◆ Participate in next-generation energy sectors (energy storage technologies, etc.)
Foundation of sustainable management	◆ Damage to the Group's reputation and the leakage of information owing to a variety of factors, including scandals or cyberattacks ◆ Decline in trust and erosion of corporate value stemming from delays in addressing sustainability issues and responding to regulatory compliance requirements	◆ Enhance corporate value by acquiring high ESG evaluations ◆ Strengthen the value chain and deepen dialogue with stakeholders	◆ Increase the sophistication of unfair trading practice monitoring and risk management through the use of AI ◆ Implement an automated recording system for customer interactions and improve transparency through generative AI and voice recognition ◆ Launch next-generation personal information management services ◆ Strengthen governance through various measures, including maintaining the ratio of female directors ◆ Strengthen the screening of investment and lending destinations with respect to human rights risks, including child labor ◆ Upgrade and expand the disclosure of sustainability-related information, including information on natural capital, biodiversity, and climate-related matters

Value Creation Model

Improvement of Daiwa Securities Group's Corporate Value and Sustainable Growth

Input

Human Resources

Highly specialized professionals backed by a robust training system and the industry's highest number of certified professionals

- Consolidated group employees 15,298
- Number of CFP and CMA 3,361
- Anshin Planners and Inheritance Consultants .... Assigned to the head office and all branches
- Investment in education and training .... ¥2.3 billion

Customers

A broad customer base ranging from high-net-worth individuals to those accumulating wealth, built on a diverse product lineup

- Assets under Custody .... ¥104 trillion
- Number of NISA accounts .... 703 thousand
- Wrap account AUM .... ¥6.0 trillion
- Bank deposit balance.... ¥7.6 trillion (including ORIX Bank)

Network

Extensive domestic and international branch and tight-knit alliance networks

- Network of 182 branches in Japan
- Branches in 21 countries and regions
- Collaboration with a diverse group of alliance partners

Financial Soundness

A sound and resilient financial foundation grounded in strict discipline

- Shareholders' equity .... ¥1.7 trillion
- Consolidated total capital ratio 20.06%

Business process

Social impact creation

Financing — Issuer (Country, company, etc.) — Business return

Daiwa Securities Group

Maximizing customer asset value over the long term through total asset consulting

Continuously providing high-value investment solutions through enhanced asset management capabilities

Connecting issuers with the Group's extensive customer base to create a virtuous cycle in the capital markets

WM Division / AM Division / GM&IB Division

Funding — Investors — Investment return

Reaping the social benefits of investments

Medium-Term Management Plan
"Passion for the Best" 2026
Maximize customer asset value

Diversity & Inclusion | 100 years of life | Innovation | Green & Social | Foundation of sustainable management

Human resources | Digital

Governance

Corporate Principles / The Daiwa Spirit

Output/Outcome

Social Value

Empowering diverse talent and enhancing employee engagement

- Ratio of female managers (Consolidated / Daiwa Securities) 22.0/24.9%
- Engagement survey score (Consolidated) 84%

Helping improve financial literacy among the public and accelerating the shift "from savings to investment"

- NISA-eligible public stock investment trusts balance (excluding ETFs) .... ¥4.8 trillion
- Numbers provided with financial and economic education 1.9 million*1

Contributing to the realization of a sustainable society through initiatives such as sustainable finance

- SDGs-related bond league table 1st
- Sustainability-related investment balance .... ¥153.7 billion
- ESG investment balance .... ¥209.3 billion
- GHG emissions within our investment and loan portfolios .... 230 g-CO_2e/kWh*2

Economic Value

- Ordinary income .... ¥234.5 billion
- ROE 10.3%
- Total shareholder returns .... ¥88.7 billion
- Rating (Daiwa Securities Group Inc./Daiwa Securities Co. Ltd.)
  S&P: BBB+/A– Moody's: A3/A2
- Market capitalization .... ¥2.2 trillion

Vision

Creating a prosperous future through financial and capital markets

Note: Data reflects financial results for FY2025 or financial position as of March 31, 2026. *1 Cumulative total for FY2005-FY2025 *2 Result for FY2024

Our History of Value Creation — Building on a foundation of trust and a pioneering spirit, putting customers first while paving the way to a new era

1902— Origin

1902 Group founder Seibei Fujimoto resolved to go beyond mere bill broking and enter the business of mediating funds between financial institutions and the business world as a bill broker, establishing Fujimoto Bill Broker. This was the origin of the current Daiwa Securities Group.

1913 Commenced foreign exchange transactions

1917 Became the first company in Japan to import foreign currency government bonds, and commenced sales the next year

1919 Established a representative office in New York

Founder of Fujimoto Bill Broker Seibei Fujimoto

1933— Paved the way in the securities industry

1933 Discontinued banking operations and renamed Fujimoto Bill Broker Securities

1937 Formed Fujimoto Securities Investment Union (predecessor to the investment trust)

1943 Daiwa Securities launched following a merger with Nippon Trust Bank

1948 Issued the first convertible bonds in Japan

1952 Launched the first open-end investment trust in Japan

1954 Commenced the first installment-type investment services in Japan

1959 Established Daiwa Asset Management Co. Ltd.

1961 Listed on the Second Section of the Tokyo, Osaka, and Nagoya stock exchanges

Equity Division, Head Office of Fujimoto Bill Broker Securities

1964— Expanded international operations through overseas growth

1964 Established a local subsidiary in New York
Opened a representative office in London

1970 Listed on the First Section of the Tokyo, Osaka, and Nagoya stock exchanges
Became underwriting manager for the first yen-denominated bond issuance of Asian Development Bank

1971 Became lead manager for the world's first Asian dollar bond (Development Bank of Singapore)

1985 Became lead manager for the first yen-denominated bond issuance in the US market

Signing ceremony for the issuance of Development Bank of Singapore bonds

Start of Japan's first home trading with PCs (1986)

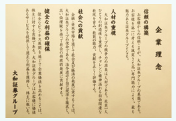
1999— Strengthening governance in support of Group management

1999 Daiwa Securities Co. Ltd. became the first listed company in Japan to move to a holding company structure and changed its corporate name to Daiwa Securities Group Inc.

2000 Established the Compensation Committee

2004 Shifted to a Committee System (Currently, a company with Three Committees System)

2008 Formulated the Daiwa Spirit



Formulated the Corporate Principles (1998)

Appointed four female executives (2009)

2009— ● Diversifying the business portfolio and ● shifting to a wealth management business model

2009 ● Entered the real estate asset management business

2011 ● Launched Daiwa Next Bank, Ltd.

2017 ● Formulated the Basic Policy on Customer-first Operations
● Shifted to a bottom-up sales structure (eliminated product-specific targets)

2018 ● Established Fintertech Co. Ltd. (established with the aim of developing next-generation financial services utilizing cutting-edge technology)
● Became the first Japanese securities company to introduce NPS®*
● Introduced asset inheritance planning

2019 ● Established CONNECT Co. Ltd. (Currently Daiwa Connect Securities Co., Ltd.) (a smartphone-based securities company established primarily to attract the digital-native generation)
● Reflected customer gains/losses in sales staff and branch evaluations and eliminated revenue targets

2020 ● Introduced investment planning

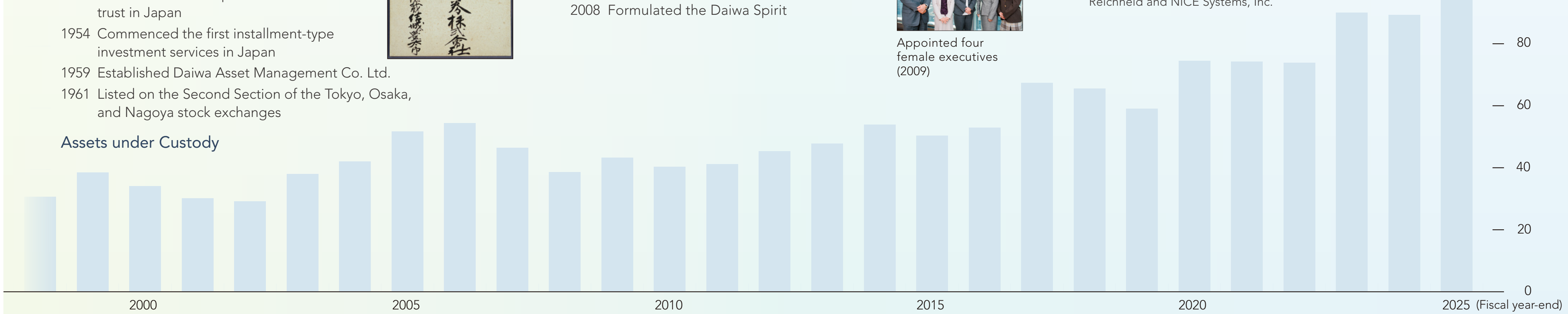
2021 ● Established Daiwa Securities Realty Co. Ltd. (established with the aim of providing new real estate investment products)

2024 ● Established a portfolio proposal process based on the customer's total assets

2025 ● Established the Maximize Customer Asset Value Council and Maximize Customer Asset Value Meeting

* NPS®: A registered trademark of Bain & Company, Fred Reichheld and NICE Systems, Inc.

Assets under Custody



Growth Strategy

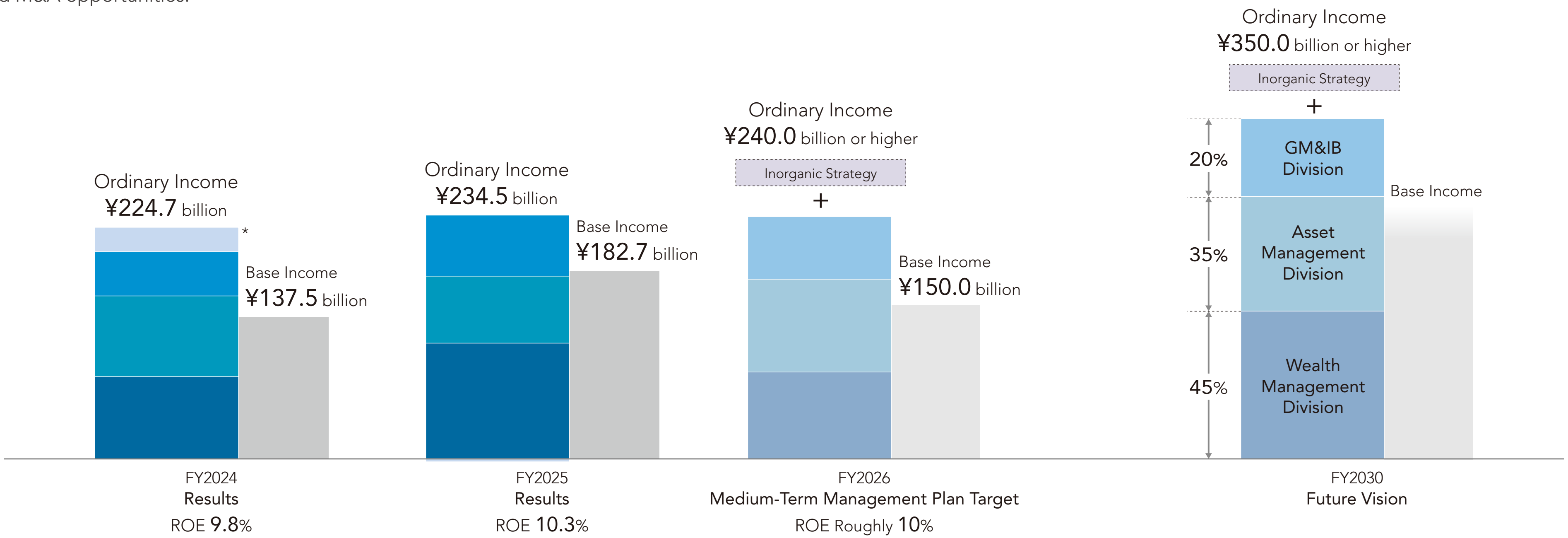
Overall Picture of the Growth Strategy

Future vision for FY2030

The Group aims to build an earnings structure that is resilient to changes in the external environment, while targeting ordinary income of over ¥350 billion by FY2030. To achieve this, we will not rely on any one division. Instead, each division will focus on growing its own profits and pursuing inorganic growth strategies to sustain higher ROE levels.

The Wealth Management (WM) Division will bolster the wealth management business by boosting asset-based revenue linked to the balance of customers' assets under custody. The goal is to secure ordinary income of ¥140 billion by FY2030, with the Daiwa Securities' WM Division (Daiwa Securities) contributing over ¥110 billion of the total. Our Asset Management (AM) Division is working to enhance its business by expanding its product lineup, including bonds, equities, real estate, and alternative funds. Through these initiatives, we aim to transform and further scale the business by expanding assets under management (AUM) and strengthening our asset management business foundation, while targeting AUM of more than ¥60 trillion by FY2030.

By rigorously evaluating the capital efficiency of each business and reducing or exiting unprofitable ones, we are reallocating management resources to growth areas and enhancing management capabilities. Furthermore, to achieve inorganic growth, we are actively pursuing collaborations with leading external companies, strategic investments, and M&A opportunities.



- Strengthening the wealth management business: FY2030 segment ordinary income of ¥140.0 billion, WM Division (Daiwa Securities) ordinary income of over ¥110.0 billion
- Advancement and transformation of the asset management business: FY2030 AUM of over ¥60.0 trillion
- Reallocate management resources and enhance management capabilities
- Pursuit of a disruptive growth strategy (external alliances, M&As, growth investments)

* Other/Adjustments Note: FY2026 Medium-Term Management Plan targets and future vision for FY2030 as announced in May 2024.

Overall Picture of the Growth Strategy

Medium-Term Management Plan progress and challenges for further growth

Ordinary income came in at ¥234.5 billion in FY2025. By division, ordinary income in the WM Division totaled ¥112.0 billion. This already exceeds the target of ¥84 billion by 30% set under the Group's Medium-Term Management Plan. Meanwhile, we believe there is still significant room for growth in our approach to total assets, including customers' liabilities. Moving forward, we will fully leverage the banking capabilities added through the acquisition of ORIX Bank to further enhance our total asset consulting services and significantly expand stable earnings.

The AM Division reported ordinary income of ¥65.4 billion. In FY2025, the Division posted impairment losses and provisions in connection with certain Alternative AM investment projects placing downward pressure on profits. Looking ahead, we will steadily implement measures to address key challenges. The initiatives include strengthening our competitiveness in the investment advisory segment of Securities AM, driving sustainable AUM growth in Real Estate AM through increased utilization of private funds, and shifting Alternative AM into a fee-based asset management business through the introduction of external capital. In doing so, we will work diligently to expand AUM and improve profitability.

Turning to the GM&IB Division, Global Markets (GM) recovered significantly during the second half of FY2025, while Global Investment Banking (GIB) achieved record-high ordinary income, resulting in ordinary income of ¥58.9 billion for the division. Going forward, we will seek to capture changes in global capital markets and client needs, translating them into sustainable revenue growth.

By steadily addressing the challenges facing each business segment, we will drive further profit growth across the Group.

	Ordinary Income FY2026 Target	Ordinary Income FY2025	Progress*	Achievements	Challenges
WM Division	¥84.0 billion	**¥112.0 billion**	◎	Deepen total asset consulting and substantially expand stable revenues	
WM Division (Daiwa Securities)	¥68.0 billion	¥91.3 billion	◎	◆ Stable revenue base steadily built; wrap account AUM surpassed ¥6 trillion ◆ Customer base expanded through stronger external partnerships ◆ Deposits surpassed ¥5 trillion	◆ Approach to customers' total assets, including liabilities ◆ Further expansion of the corporate market ◆ Upside potential in deposit balances and benefits from higher interest rates
Daiwa Next Bank	¥16.0 billion	¥21.1 billion	◎		
AM Division	¥91.0 billion	**¥65.4 billion**	△	AUM growth and associated revenue improvement	
Securities AM	¥32.0 billion	¥37.6 billion	◎	◆ Stable revenue base strengthened through investment advisory and alternatives ◆ Profit exceeded plan via AUM growth and broader revenue opportunities	◆ Strengthen competitiveness via differentiation and value-added in advisory
Real Estate AM	¥38.5 billion	¥33.0 billion	○	◆ Private REIT property acquisitions and private-fund mandates drive AUM growth steadily ◆ Continued stable management amid inflation and rising rates	◆ Sustainable AUM growth measures amid inflation and rising rates ◆ Ongoing support for Samty Group's business-model transformation and value-up
Alternative AM	¥20.5 billion	¥-5.2 billion	△	◆ Steady track record from exits of existing investments ◆ Transition to an asset management model in private equity	◆ Transition to an asset management model by introducing external capital
GM&IB Division	¥60.5 billion	**¥58.9 billion**	○	Capture global capital-market shifts and maximize revenue opportunities	
GM	¥39.5 billion	¥40.8 billion	◎	◆ Captured rising demand for Japanese equities and bonds; trading expanded mainly with overseas institutions	◆ Further revenue growth amid rising share prices and a higher-rate environment
GIB	¥19.0 billion	¥14.5 billion	△	◆ Ranked #1 in league tables for domestic straight bonds, municipal bonds, and SDGs-related bonds ◆ Group M&A-related revenues hit a record high	◆ Enhancing capabilities to address diversified financing needs, large-scale and global M&A transactions

* ◎: Achieved, ○: above 80%, △: below 80%

Corporate Executive Officers

What is the strength of Daiwa Securities Group?

A pioneering spirit that continues to take the lead in rapidly changing capital markets

Akihiko Ogino*
President and CEO
President,
Daiwa Securities Co. Ltd.

Leveraging organizational strengths to create value tailored to customers

Eiji Sato*
Deputy President and COO
Deputy President,
Daiwa Securities Co. Ltd.

Being a trusted partner that helps grow customers' assets and enhance corporate value through comprehensive solutions

Junichi Serizawa*
Deputy President
Head of Wealth Management
Deputy President,
Daiwa Securities Co. Ltd.

Compliance that underpins trust, supported by every employee

Hiroko Sakurai*
Deputy President
Head of Compliance
Deputy President,
Daiwa Securities Co. Ltd.

Challenge is in Daiwa's DNA. We are shaping the future of asset management

Shinsuke Niizuma
Deputy President
Head of Asset Management and Securities Asset Management
Chairperson of the Board,
Daiwa Asset Management Co. Ltd.

* Holds the position of Board member on a concurrent basis.

Corporate Executive Officers

What is the strength of Daiwa Securities Group?

A culture that encourages and supports new challenges

Katsuyasu Murata

Senior Executive Managing Director
Head of Corporate Communication, Deputy Head of Asset Management
Senior Executive Managing Director, Daiwa Securities Co. Ltd.

A customer-centric business model that continues to evolve

Takemichi Kobayashi

Senior Executive Managing Director
Head of Corporate Planning and Legal
Senior Executive Managing Director, Daiwa Securities Co. Ltd.

Knowing that steady, consistent efforts lead to tremendous value in the future

Kotaro Yoshida*

Executive Managing Director and CFO
Executive Managing Director, Daiwa Securities Co. Ltd.

The power of people: A culture of trust and solidarity

Hiromasa Kawashima

Executive Managing Director
Deputy Head of Corporate Planning, Head of Human Resources, CHO, and Head of Sustainability and Financial Education
Executive Managing Director, Daiwa Securities Co. Ltd.

Creating new value through people, AI, data, and IT

Masahiro Murase

Executive Managing Director
CIO and CDO
Executive Managing Director, Daiwa Securities Co. Ltd.

The power to transform uncertainty into value

Takashi Yamaguchi

Executive Managing Director
CRO
Executive Managing Director, Daiwa Securities Co. Ltd.

Always putting our customers first and always doing our best for them

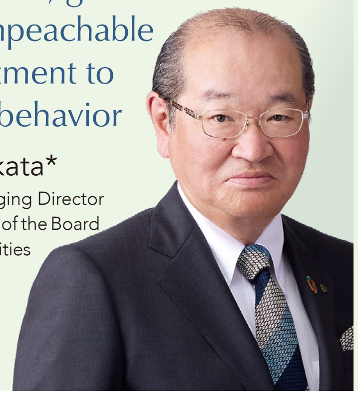
Keiichi Ishikawa

Senior Managing Director
Head of Internal Audit
Senior Managing Director, Daiwa Securities Co. Ltd.

The integrity and high moral standards of our officers and employees, grounded in an unimpeachable commitment to ethical behavior

Seiji Nakata*

Senior Managing Director
Chairperson of the Board Daiwa Securities Co. Ltd.

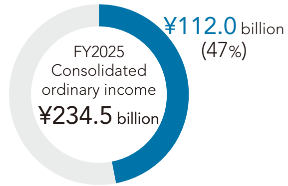


* Holds the position of Board member on a concurrent basis.

Wealth Management Strategy

The main sources of revenues in the Wealth Management Division are asset-based revenues, mainly wrap fees and investment trust administration fees, as well as product sales commissions related to the management of assets for individual investors and unlisted companies in Japan.

WM Division ordinary income



Junichi Serizawa
Head of Wealth Management

In FY2025, the WM Division's ordinary income increased significantly to ¥112.0 billion, up 38.9% compared with the previous fiscal year. In doing so, the Division achieved the target set for FY2026 under the Group's Medium-Term Management Plan ahead of schedule. Asset-based revenues reached ¥123.2 billion, while the fixed cost coverage ratio and total cost coverage ratio on asset-based revenues rose to 112% and 73%, respectively. These results demonstrate the steady progress of the Group's transformation toward a wealth management business model.

These achievements reflect our deep understanding of customers cultivated through our total asset consulting approach and our success in enhancing the quality of portfolio improvement proposals based on a holistic view of customers' assets. Moving forward, we will refine this total asset consulting approach, centered on our understanding of customers and proposal capabilities nurtured to date, and work to significantly increase our share of the customer's wallet. Consequently, we aim to achieve stable and sustainable revenue growth while further supporting each customer in wealth accumulation and preservation.

Main Companies

- Daiwa Securities Co. Ltd.
- Daiwa Next Bank, Ltd.
- Daiwa Connect Securities Co., Ltd.
- Fintertech Co. Ltd.
- Retela Crea Securities Co., Ltd.

(Daiwa Securities) Number of branches and sales offices in Japan	182
(Daiwa Securities) Number of customer accounts with balance	3,277 thousand
(Daiwa Next Bank) Balance of deposits	¥5.0 trillion
(Daiwa Next Bank) Number of accounts	2,288 thousand

Business Environment

- Growing inflationary pressure
- Growing needs for asset preservation as people live longer
- A future transfer of wealth to the digital-native generation, while the current crop of young people has less investment experience
- Emergence of new products and services enabled by emerging technologies, changes in regulations in response

Strengths

- Network of 182 sales branches/sales offices and a customer base built up over 124 years since its foundation
- Highest number of CFPs among financial institutions in Japan
- Ability to develop and recommend products and services in line with customer needs
- Ability to provide products such as foreign equities/bonds, IPOs, primary and secondary offerings, through synergies with other divisions, including the GM&IB Division

Business Risks

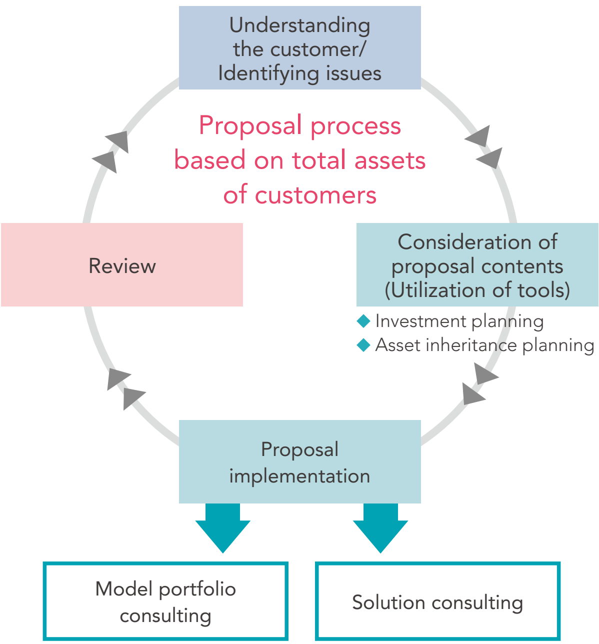
- Risk of major decline in earnings due to weak demand for securities investment from customers owing to market slump, or investors becoming less willing to hold risk assets
- Risk arising from substantial fixed costs, such as real estate-related expenses, personnel expenses, or depreciation on systems investments, for branches, sales representatives, online trading systems, etc.
- Risk of reduced investment margins caused by changes in monetary policy
- Risk of sluggish growth in earning power if the strategy to differentiate from other competing banks does not advance as expected
- Risk of incurring additional costs in the event of an inadequate response to the risks faced by the banking industry

Wealth Management Strategy

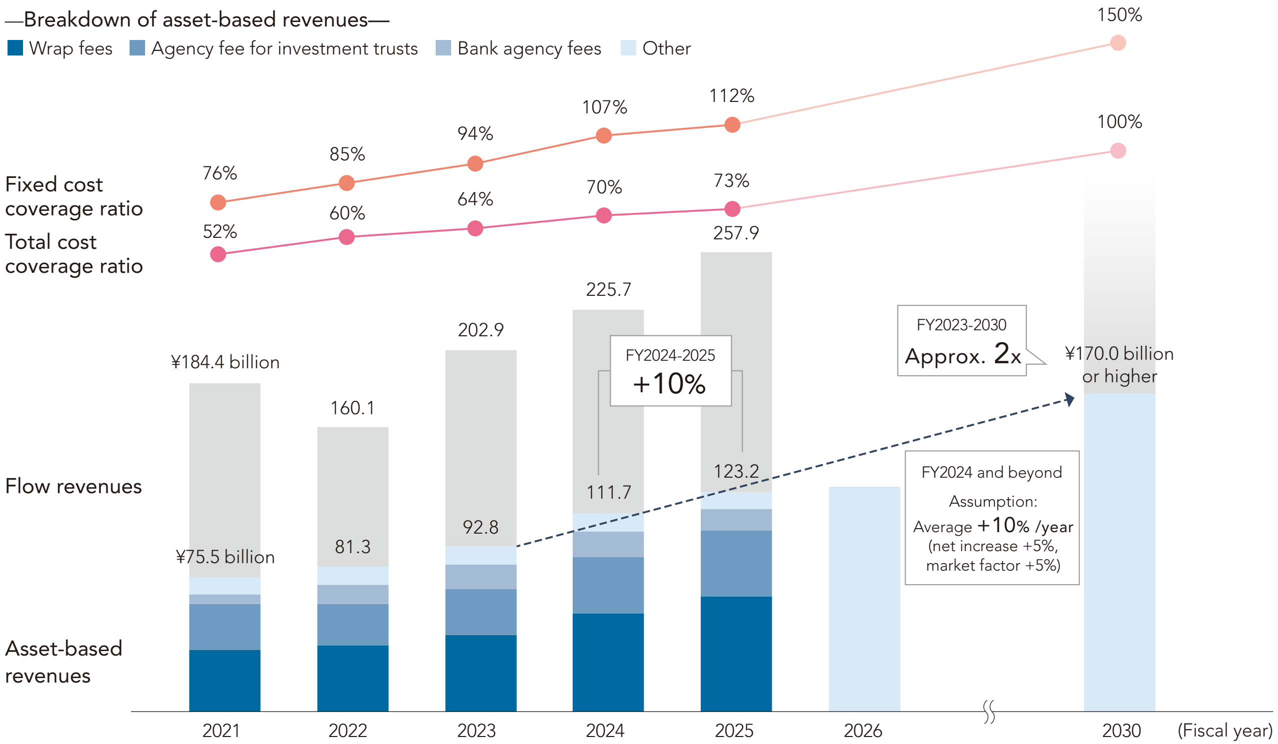
Sustainable growth through the promotion of total asset consulting

The WM Division has focused on sales reform centered on improving customer satisfaction and the shift to a wealth management business model. Among a host of endeavors, the Division provides services tailored to the needs and attributes of each customer through a nationwide network of 182 branches, sales offices, and contact centers, as well as via online trading. The Division also utilizes analytical tools such as investment and asset inheritance planning to visualize total assets, including non-financial assets like real estate and assets held at other financial institutions, to put forward proposals that ensure the optimal allocation of assets and high-value-added solutions to customers with advanced consulting needs. Buoyed by efforts to further refine portfolio proposals based on this total asset consulting approach and expand the customer base through external alliances, asset-based revenues climbed 10% compared with the previous fiscal year, to ¥123.2 billion in FY2025. In addition, positive steps have been taken to respond promptly to trading needs that stem from fluctuations in the market. This has in turn led to steady growth in flow revenues. Looking ahead, we will build a more robust earnings structure that is resilient to the external environment. At the same time, we will promote total asset consulting tailored to the needs of individual customers, with the aim of further expanding asset-based revenues and securing sustainable profit growth through FY2030.

Total asset consulting loop



Growth image of WM Division (Daiwa Securities)

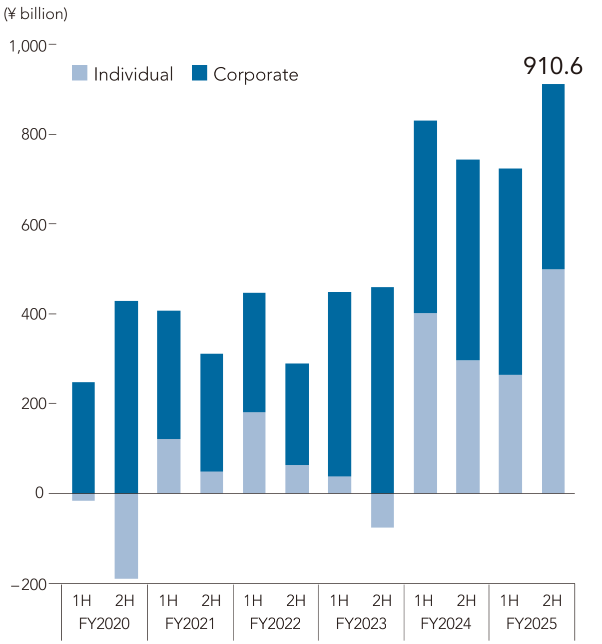


Wealth Management Strategy

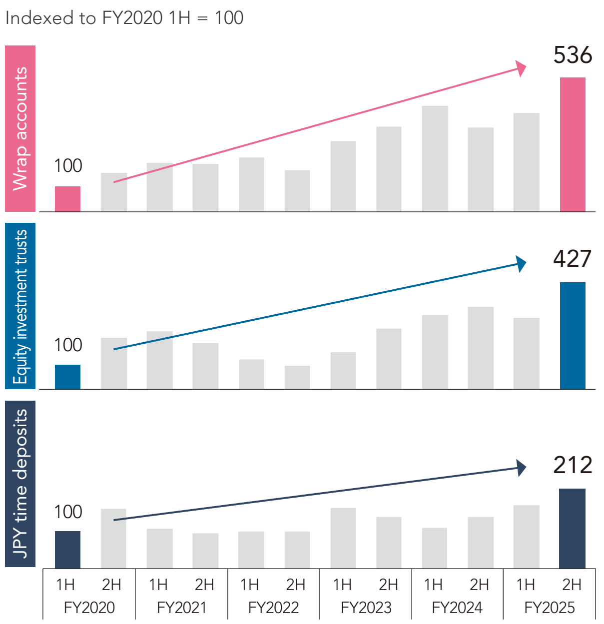
Since promoting total asset consulting, asset inflows have enjoyed an upward trend for both individual and corporate customers. In an index of cash-funded purchase amounts for each product, with the first half of FY2020 set at 100, wrap accounts and stock investment trusts have expanded 4 to 5 times, and JPY time deposits have doubled, indicating steady growth in purchases underpinned by new funds. Moving forward, we will further strengthen our business foundation through sustained asset inflows and accumulation of new funds.

In our business serving corporate customers with accounts at the WM Division, both revenues and assets under custody continue to increase steadily, an indication of significant ongoing growth potential. Through collaboration among Group divisions, we have consistently provided advanced consulting services to a wide range of corporate and institutional customers, including unlisted companies and owner-managed companies. Extending beyond the provision of added value to customers, these initiatives have expanded revenue opportunities across the entire Group. In the future, we will promote Group-wide growth by bolstering collaboration among divisions and accelerating efforts to expand our corporate business.

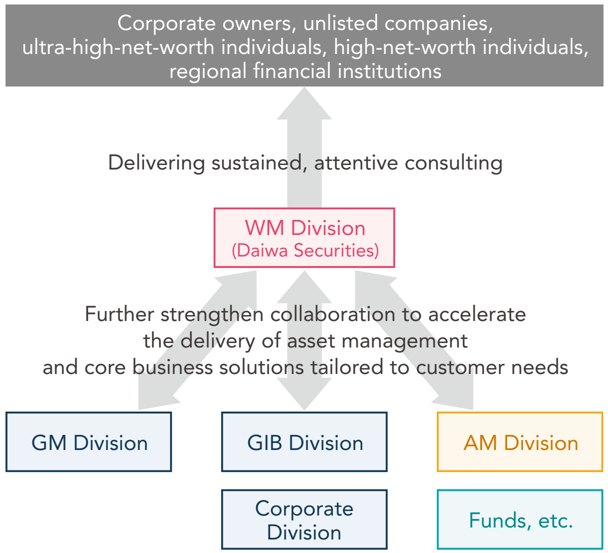
Asset inflows—WM Division (Daiwa Securities)



Cash-funded purchases / deposits by product



Inter-divisional collaboration (business serving corporate customers)

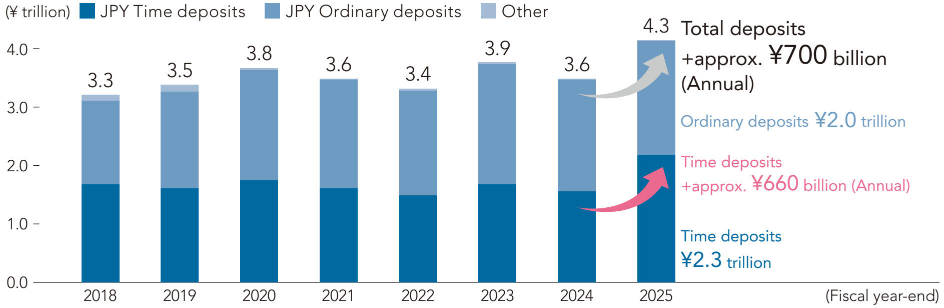


Wealth Management Strategy

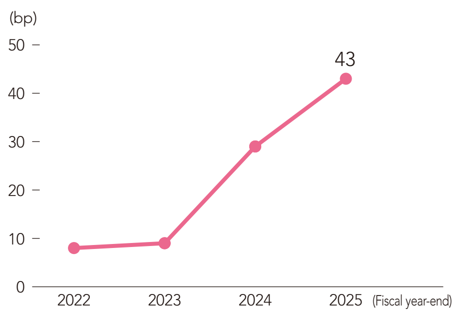
Daiwa Next Bank

Commencing operations in 2011, Daiwa Next Bank functions within the Group as a gateway to the shift "from savings to investment," automatically managing funds on hold in securities accounts in savings accounts. Through a low-cost market investment business model, the bank secures profits by way of interest margins by investing the funds raised. Buoyed by the steady improvement in its deposit-gathering capabilities, the balance of yen-denominated deposits increased approximately ¥700 billion in FY2025. With the era of positive interest rates now firmly established and the inflow of funds on hold projected to accompany the expansion of securities trading, Daiwa Next Bank believes that deposit balances will continue to grow further going forward. In addition, while the yield on yen-denominated investments remained low for a considerable amount of time, it widened significantly following the end of BOJ's negative interest rate policy in March 2024. The yield expanded to 43 basis points as of the end of March 2026, thereby improving profitability. In light of the aforementioned, ordinary income hit a record high of ¥21.1 billion in FY2025.

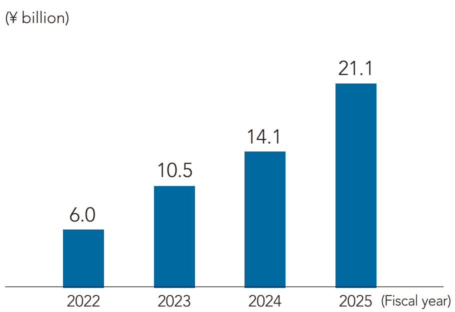
Daiwa Next Bank JPY deposit balance trend



JPY funds interest margin trend



Ordinary income trend



Daiwa Connect Securities

Daiwa Connect Securities commenced operations in July 2020 as a smartphone-based securities company with a mission to help expand the investor base by creating connections with new customers. Focusing primarily on investment novices and young adults, the company is expanding its customer base by providing new financial services tailored to the digital native generation, while also collaborating closely with external companies. Moving forward, Daiwa Connect Securities will continue to expand its customer base and stabilize its earnings, focusing on its branding strategy as a smartphone-only securities service that prioritizes UI/UX as well as its installment-type investment services.

Major Initiatives	
Capturing digitally native customers	◆ Promote new NISA and installment-type Investments ◆ Strengthen video utilization and owned media
Stimulate transactions	◆ Strengthen installment-type services and promote continuous transactions ◆ Utilize data analysis and marketing automation
Collaborate with Daiwa Securities Group companies and external corporations	◆ Mutual referrals between Group companies ◆ Collaborate with external companies with a customer base

Fintertech

Fintertech was established in April 2018 with the purpose of developing next-generation financial services in an agile and flexible manner by utilizing cutting-edge technology and collaborating with external companies. Currently, the company offers services such as Digital Asset-backed Loans and Digital Asset Staking as well as the loan-type crowdfunding service Funvest. By leveraging Daiwa Securities Group's business platform and cutting-edge technologies, including blockchain, Fintertech will create a new cycle of capital flow that bridges the digital and physical worlds.

Expand the digital asset finance business

デジタルアセット担保ローン

デジタルアセットステーク（消費貸借）

Crowdfunding-based cash flow creation

Funvest

Wealth Management Strategy

Employee comment: Sustainable growth underpinned by the frontline

I work closely with customers to address their challenges and needs, supporting their sustainable growth with multifaceted solutions.

At our sales branch, I work with individual customers and unlisted corporations to help address their wealth management and business succession needs. I strive daily to address customers' ever-changing needs and provide proposals that help them achieve their goals.

I particularly recall one customer, an owner of an unlisted corporation who was concerned about the high valuation of the company's shares in relation to business succession. In this instance, I was able to contribute to the growth of the customer's core business by providing solutions that addressed a myriad of issues, including asset management for surplus funds, measures to address the valuation of the company's shares, retirement allowance planning, and referrals to tax advisors.

Currently, the market environment is undergoing significant change. In the midst of unprecedented conditions, marked by such factors as the surge in the Nikkei Stock Average and steps by the BOJ to implement interest rate hikes, I feel a renewed sense of responsibility as a professional in the securities industry. Moving forward, I will continue to work tirelessly to contribute to our customers' sustainable growth.

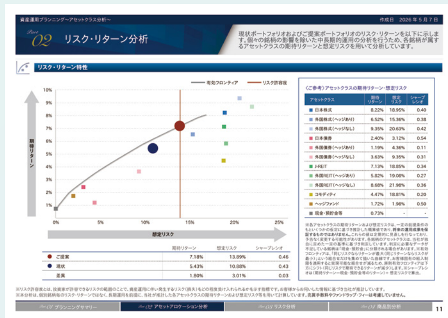
Keisuke Takahashi
Director
Iwaki Branch
Daiwa Securities

Drawing on frontline insights, I will continue evolving the frameworks that support customers in realizing their ideal future.

Planned and developed by this department, Daiwa Securities' investment and asset inheritance planning tools help customers envision their ideal future from a medium- to long-term perspective. What we deliver through these two tools is not the financial products themselves. Rather, we provide the value of a continuous process designed to help customers achieve their goals, supported by professional consulting. Both tools support a seamless and integrated cycle that encompasses an assessment of prevailing conditions, subsequent proposals, and a review as circumstances evolve.

One of the benefits of this cycle is that it does not rely on the level of experience of an individual member of staff at our head office or branches. Each staff member can provide customers with the optimal way forward, backed by pertinent data. Furthermore, since introducing these tools, we have made hundreds of specification changes based on staff insights. Promoting version updates while enhancing convenience as a matter of course, we are constantly working to ensure that the tools evolve in a manner that accurately adapts to changing customer needs and developments in the broader environment.

Shiori Oze
Associate Director
NPS Acceleration Department
Daiwa Securities

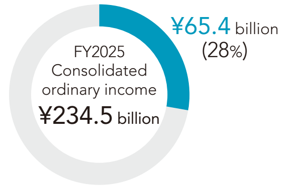


(Sample proposal) An example of investment planning

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 renewable energy investments.

AM Division ordinary income



Shinsuke Niizuma
Head of Asset Management

As the era of positive interest rates becomes entrenched and Japan's asset management market reaches a turning point, the Asset Management Division—itself forming the core of Base Income, the Group's stable revenue base—is playing a pivotal role in realizing the aim of Promoting Japan as a Leading Asset Management Center. In FY2025, the AM Division saw steady growth in each business area, including full-scale activities in the investment advisory business within Securities AM, the expansion of the private fund business in Real Estate AM, and steady strides toward shifting Alternative AM to a fund-based business—resulting in the AM Division's total AUM growing to over ¥46 trillion.

In FY2026, the final year of the Medium-Term Management Plan, we will focus on expanding our customer base and enhancing investment capabilities in Securities AM; increasing AUM in Real Estate AM by strengthening property sourcing and expanding investment products, and accelerating the shift toward a fund-based business model in Alternative AM. While strengthening our investment capabilities and pursuing both external alliances and growth investments, we will work diligently to surpass ¥60 trillion in AUM, a FY2030 target, and, ultimately, contribute to **maximizing customer asset value**.

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	¥44.2 trillion
Assets under management by two real estate asset management companies*1	¥1,797.8 billion
Number of investment companies (cumulative)*2	2,382 companies
Investment amount (cumulative)*2	¥477.7 billion
Outstanding principal investment balance*3	¥290.0 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

Business Environment

- Against the backdrop of Promoting Japan as a Leading Asset Management Center and growing interest in the new NISA system, increasingly fast-paced shift "from savings to investment"
- Changes in asset management needs against the backdrop of rising interest rates
- Slowdown in the listed REIT market; steady growth in the private REIT market
- Growing interest in alternative asset investment

Strengths

- Product development capabilities that address increasingly diverse customer needs
- Flexible acquisition of properties by harnessing the Group's warehousing functions
- Building a portfolio of high-quality investment projects and shift toward management that prioritizes capital efficiency
- Ability to generate new growth opportunities through external alliances

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

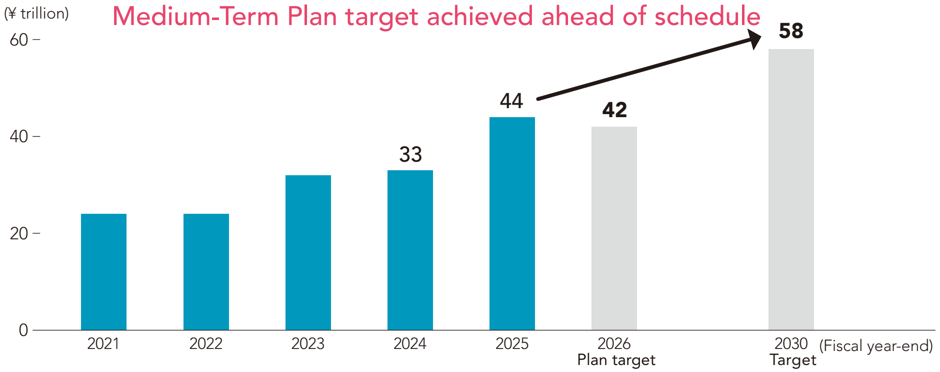
Growth Strategy for Securities Asset Management

Accelerating the pace of AUM expansion and achieving Medium-Term Management Plan targets ahead of schedule

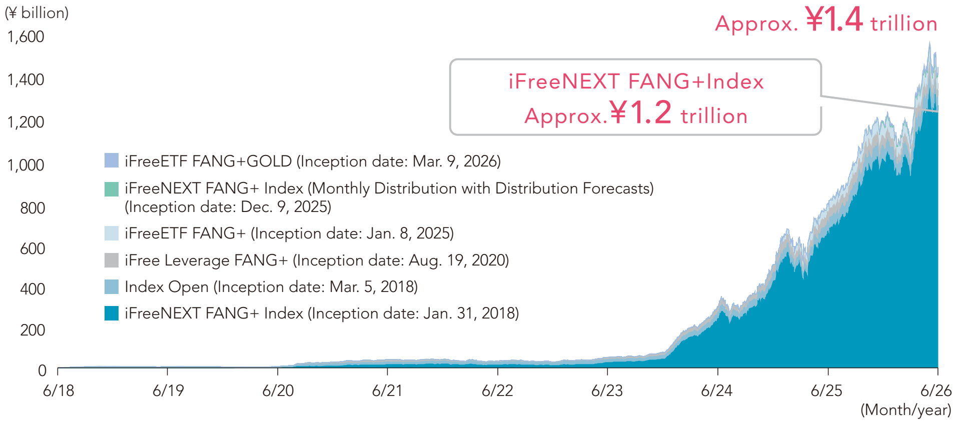
In the Securities Asset Management business, we increased AUM by more than ¥10 trillion over the course of a year, against the backdrop of a favorable market environment and capital inflows stemming from the provision of a distinctive product lineup centered on the iFreeNEXT FANG+ Index. As of March 31, 2026, the balance of AUM stood at ¥44 trillion. As such, we achieved the FY2026 target set under our Medium-Term Management Plan ahead of schedule. As a result, Daiwa Asset Management (Daiwa AM) has achieved ordinary income growth of more than 30% for two consecutive fiscal years.

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.

Trends in Securities AM total AUM



Trends in FANG+ series total net assets

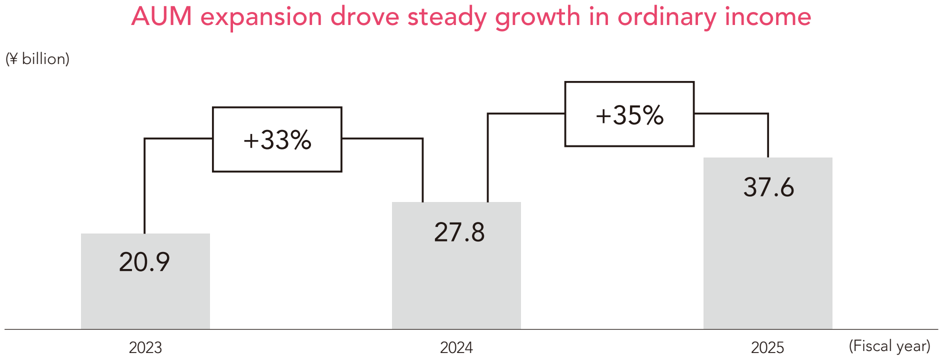


Progress made in the capital and business alliance with JAPAN POST INSURANCE

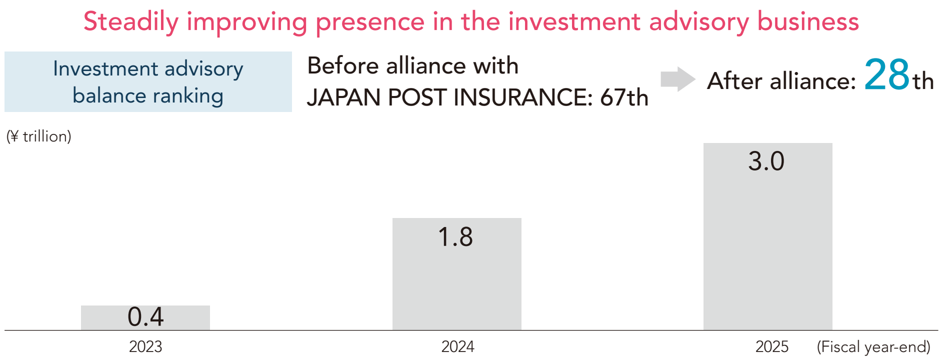
In October 2024, Daiwa AM welcomed JAPAN POST INSURANCE as a 20% shareholder and made a full-scale entry into the investment advisory business, including alternative investments. We are currently working to reform our investment capabilities and enhance our investment functions by incorporating the perspectives of asset owners through the mutual exchange of investment personnel.

Building on this business alliance, we increased AUM entrusted by JAPAN POST INSURANCE to more than ¥2.5 trillion (based on market value as of March 31, 2026). At the same time, Daiwa AM's industry ranking for investment advisory AUM improved from 67th prior to the partnership to 28th. Looking ahead, we will further strengthen our competitiveness through a process of differentiation and take steps to enhance value-added services in the investment advisory sector.

Ordinary income and profit growth rate trends (Securities AM)



Investment advisory balance (Daiwa AM)



(Source) R&I Newsletter on Pension & Investment compiled by Daiwa Securities Group Inc.

Growth Strategy for Real Estate Asset Management

Expanding AUM through REITs and private funds

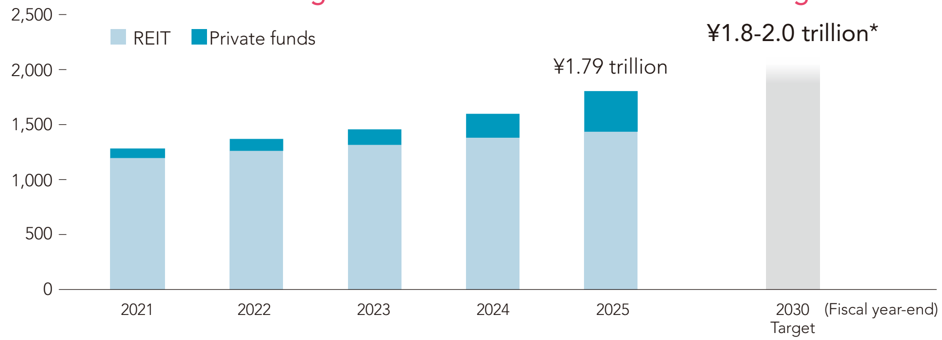
Since entering the real estate asset management business in 2009, this business has steadily grown by expanding the scope of its managed assets, merging with asset management companies and real estate investment trusts (REITs), and strengthening its warehousing functions. These efforts have helped secure stable profits for the Group. Driven by initiatives such as the formation of private placement funds by Daiwa Real Estate Asset Management (Daiwa Real), AUM steadily increased, reaching ¥1,797.8 billion as of March 31, 2026. We are on track to achieve the FY2030 target of ¥1.8–2.0 trillion ahead of schedule, which is also contributing to increased stable earnings for the entire Group. Largely comprising inflation-resistant residential properties and medium-sized offices, the managed assets achieve rent increases even in periods of rising interest rates and are distinguished by their stable operations. Going forward, we will continue to expand AUM through both REITs and private funds.

In January 2026, Daiwa Real established a private real estate fund in which Daiichi Life Insurance took an equity interest. Featuring an asset size of approximately ¥15.5 billion, this fund is composed of real estate trust beneficiary interests backed by rental residential properties in Tokyo and Osaka. Looking ahead, we will continue to provide a diverse range of investment products tailored to investor needs, with the aim of delivering attractive investment opportunities.

Value enhancement at Samty Holdings

Turning to Samty Holdings, the real estate developer with whom we entered into a capital and business alliance in 2019, steps have been taken to steadily transform the company's business model following its shift away from public ownership in 2025. Through such initiatives as the establishment of hotel and residential funds, AUM has expanded to approximately ¥540 billion. Furthermore, in partnership with Hillhouse Investment Management, we are driving inorganic growth including the acquisition of UniLodge, the largest student accommodation operator in Australia and New Zealand. In this way, we are working to continuously enhance value through a variety of measures.

Real Estate AM AUM trends



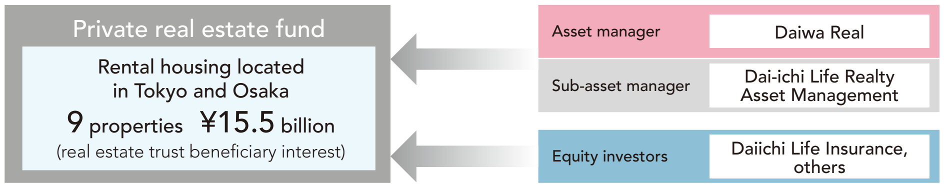
* In order to exceed AUM of ¥1.8 trillion, factors such as favorable acquisition environment, REIT's M&A, funding capacity, etc., among other requirements, must be met.

Rent change rates of listed REITs managed by Daiwa Real

Achieved rent increases in office and rental residential assets, which account for the majority of AUM

	Asset type	Fiscal year-end	Replacement	Renewal
Daiwa Office Investment Corporation	Office	May 2026	+23.3%	+12.0%
Daiwa Securities Living Investment Corporation	Rental housing	Mar. 2026	+13.2%	+4.4%

Establishing private real estate funds with Daiichi Life Insurance



Daiwa Real and Daiichi Life Insurance have signed a memorandum of understanding and will consider establishing private funds, with the aim of continuing collaboration in the private real estate fund field

Value enhancement at Samty Holdings

Advancing business model transformation and accelerating inorganic growth

Nov. 2025 UniLodge acquisition announced
- Agreed to acquire a stake in the largest student accommodation operator in Australia and New Zealand. (45,000 units under management)

Dec. 2025 Multi-family residential asset fund formation announced
- Established a USD 0.5 billion fund with a sovereign wealth fund and acquired USD 0.2 billion in rental residential assets.

Apr. 2026 Formation of hotel-focused fund II and additional acquisitions of residential assets through funds announced
- Formed Hotel-Focused Fund II with domestic investor capital and acquired an additional USD 0.14 billion in rental residential assets.

Growth Strategy for Alternative Asset Management

Shifting to an asset management model

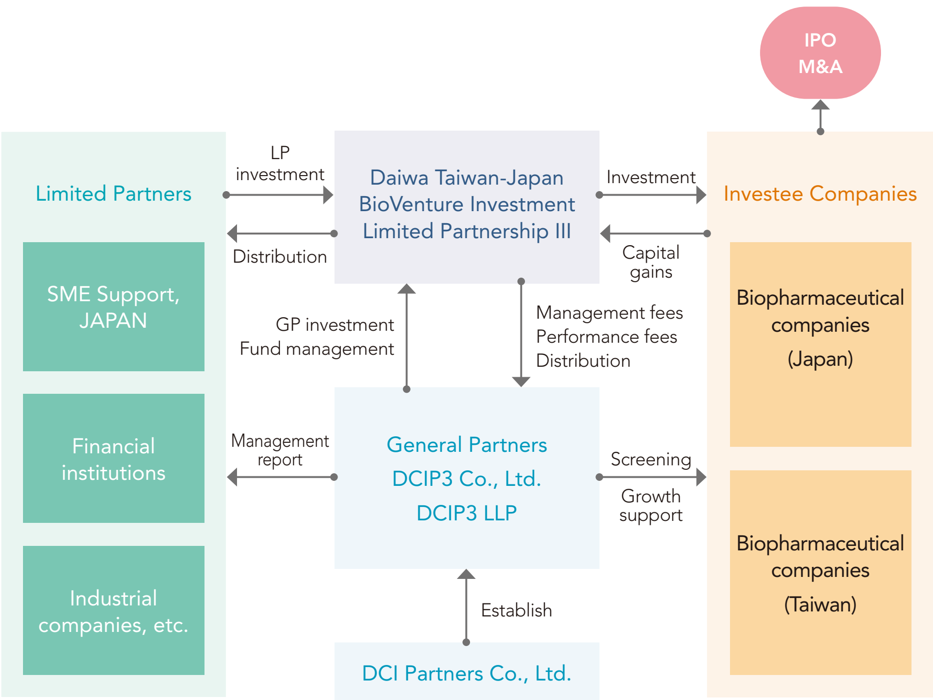
Alternative Asset Management is shifting from an earnings structure primarily driven by capital gains and funded by our own capital to an asset management model that incorporates external funds. In addition to Daiwa Corporate Investment, a long-standing venture capital firm with a 40-year track record in fund management, Daiwa PI Partners and Daiwa Energy & Infrastructure, which had previously been investing their own capital, are leveraging their accumulated investment expertise and track records to accelerate their shift toward fund businesses that prioritize capital efficiency.

Daiwa Corporate Investment has established a fund through its subsidiary, DCI Partners, Daiwa Taiwan-Japan BioVenture Investment Limited Partnership III, which specializes in drug discovery and regenerative medicine, to invest in unlisted biotech ventures, primarily in the drug discovery sectors of Japan and Taiwan. In the private equity sector, Daiwa PI Capital, a Daiwa PI Partners subsidiary, manages private equity funds. The company established a fund with a total value of ¥26 billion in 2024 and to date has made five investments. Going forward, we aim to continue expanding our fund business by establishing series funds on the scale of tens of billions of yen. Daiwa Energy & Infrastructure will also accelerate initiatives to shift toward a fund-based business model, centering on the newly established Fund Strategy Promotion Office.

By continuing to invest in high-quality projects and executing optimal exits, as well as leveraging our robust performance and the network of partners that we have built in Japan and overseas, we will build a strong track record which in turn will lead to a stable asset management business.

Daiwa Taiwan-Japan BioVenture Investment Limited Partnership III established by DCI Partners

Japan's largest bioventure investment fund



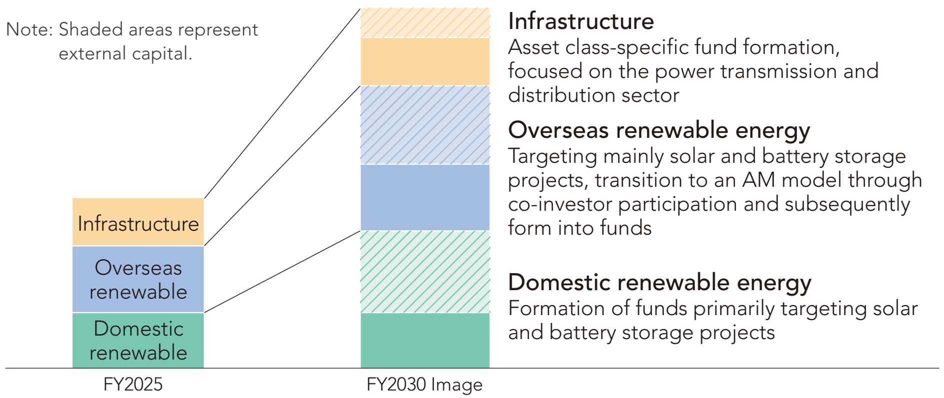
Daiwa PI Partners

Expansion of fund business (Daiwa PI Capital)

Sep. 2022	Nov. 2024	From 2027 onward
Daiwa PI Capital was established	1st fund final close Fund size ¥26.0 billion	Formation of Series Funds 2nd fund target size ¥30.0-40.0 billion 3rd fund target size ¥40.0-50.0 billion

Daiwa Energy & Infrastructure's investment balance

Promotion of the asset management business



Employee comment: Sustainable growth underpinned by the frontline

Through an ESG perspective that supports corporate value, I help investors accumulate wealth over the long term.

Taking into consideration expansion of the NISA system and the shift toward Japan as a Leading Asset Management Center, the long-term accumulation of wealth has become increasingly accessible to individual investors. At Daiwa Asset Management, we work diligently to provide low-cost, highly transparent ESG investment opportunities through funds linked to indices that incorporate ESG ratings. Leveraging the characteristics of index management based on clearly defined rules, we strive to design products that allow investors to seamlessly incorporate ESG investment opportunities into their long-term efforts to accumulate wealth.

While market perceptions of ESG-related indices may at times be influenced by short-term market conditions, I believe that a company's ability to address sustainability issues can become a key factor underpinning its corporate value in the long term. Viewing ESG as a lens through which to assess a company's ability to create medium- to long-term value as well as its risk management capabilities, I will continue to contribute to both the accumulation of wealth and the realization of a sustainable society by providing easy-to-understand and compelling products and information going forward.

Eriko Ono
Senior Fund Manager
Beta Management & Investment Solution Department
Daiwa Asset Management

P65 Supporting wealth creation in the era of 100 years of life

In an environment where diverse talent and expertise converge, I am committed to driving people-centric value creation.

Over my career I have engaged in the appraisal as well as purchase and sale of real estate, strategic consulting, and the revitalization of businesses at government and private funds, transcending real assets, strategy, and finance. Seeking to apply this experience in a new field, I was recruited mid-career and joined Daiwa PI Partners. The deciding factor for joining was the opportunity to immerse myself in an entire process that extended from investment to recovery, hands-on management, and exit. At the same time, I would actively contribute to enhancing business value and revitalizing regions.

Daiwa Securities Group fosters a culture where professionals with diverse backgrounds respect each other's expertise and exercise their own discretion to apply the insights gained from their previous careers. Leveraging the flexibility and speed of decision-making enabled by our proprietary investment capital, my goals are to support the revitalization and growth of investee companies, provide a wide range of investment opportunities to external customers going forward, and strengthen the Group's alternative investment base. Recognizing that behind every investee company are the lives and aspirations of its employees and customers, I am committed to creating sustainable value with people at its core.

Fumiaki Asahiro
Head of Debt and Real Estate Investment Department II
Daiwa PI Partners

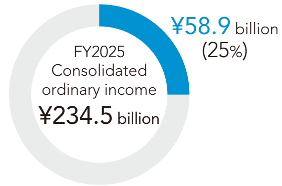
Investee company example
(Golf Resort / Kagoshima Prefecture)

P50 Recruiting high-potential talent

Global Markets & Investment Banking Strategy

The Global Markets & Investment Banking Division consists of Global Markets (GM), which provides securities sales and trading services mainly to institutional investors, and Global Investment Banking (GIB), which provides underwriting services for securities issued by business corporations, financial institutions and other entities, as well as M&A advisory services.

GM&IB Division ordinary income



Kenichi Tazawa
Head of Global Markets

GM ordinary income totaled ¥40.8 billion in FY2025. In Equities, client activity from both retail and institutional investors increased amid strong Japanese equity market conditions. In FICC, rising domestic interest rates encouraged participation from new investors. Looking ahead, we expect revenue opportunities to expand as interest in the Japanese market continues to grow, supported by expectations for entrenched inflation and governance reforms. We also expect continued demand for hedging and portfolio reallocation as investors adapt to a world of positive interest rates. By capitalizing on changes in the external environment, we aim to provide a diverse range of products and advanced solutions to meet a wide range of customer needs. We will also deepen collaboration with other divisions to further expand trading revenue.

Toru Yamamoto
Head of Global Investment Banking

GIB ordinary income totaled ¥14.5 billion in FY2025, reaching a record high since segment reporting began. In addition to ranking first in the league tables for domestic straight bonds, municipal bonds, and SDGs-related bonds, the Group's M&A-related revenues hit their highest level to date. Corporate actions have accelerated amid ongoing structural changes in the Japanese corporate sector, and we expect this trend to continue. To address increasingly diversified financing needs as well as larger, more global M&A transactions, we will further strengthen our capabilities through deeper collaboration with the WM Division and GM, while leveraging the Group's comprehensive strengths. We will also utilize AI to broaden client engagement and enhance the quality of our proposals, helping clients maximize their corporate value.

Main Companies

- Daiwa Securities Co. Ltd.
- Daiwa Capital Markets Europe Limited
- Daiwa Capital Markets Hong Kong Limited*
- Daiwa Capital Markets Singapore Limited*
- Daiwa Capital Markets America Inc.

* Also part of the Wealth Management Division

Offices in .... **21** countries and regions

Total value of underwriting and distribution .... **¥774.3** billion (equity)
¥12.5 trillion (bond)

Business Environment

GM
- ◆ Full-scale shift in investment behavior "from savings to investment"
- ◆ Changes in monetary and fiscal policy due to recent trends in inflation
- ◆ Continued uncertainty in the global economic environment due to geopolitical risks
- ◆ Increasing ESG awareness and action by investors and issuers
- ◆ Changes in the competitive environment due to new entrants from other industries, driven by advances in technology

GIB
- ◆ Rising interest rates and continued inflation
- ◆ Expanding corporate activity in response to geopolitical risks
- ◆ Growing influence of investors seeking corporate governance and efficiency
- ◆ Heightened demand for environmental initiatives in corporate activities
- ◆ Diversification of methods for supporting start-ups

Strengths

GM
- ◆ Ability to provide products and information across Japan and overseas by leveraging our global network
- ◆ Robust and advanced execution platform for equities and bonds
- ◆ Industry-leading research quality

GIB
- ◆ Ability to provide diverse products and advanced solutions
- ◆ Global M&A advisory network
- ◆ Corporate coverage structure serving listed and unlisted companies in Japan

Business Risks

GM
- ◆ In trading services, the risk of losses resulting from a decline in market liquidity caused by sudden changes in market conditions
- ◆ In brokerage services, the risk of a significant decline in earnings due to weak investor demand or risk-averse investment behavior
- ◆ System investment risk for large-scale trading systems, risk of system failure

GIB
- ◆ In M&A advisory services, the risk of a decline in transaction volume due to market conditions
- ◆ In underwriting deals, the risk of underwritten securities not being distributed smoothly
- ◆ In failing to properly disclose the offer and sale of securities, the risk of claims for damages from investors as an underwriter

Global Markets Growth Strategy

Transforming structural changes in the environment into growth opportunities

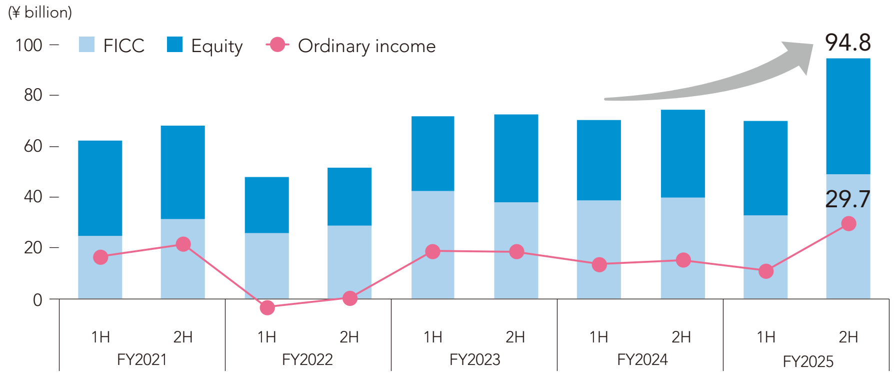
In anticipation of long-term Japanese equities growth and an era of positive interest rates, the scope of revenue opportunities for this Division has spread to an unprecedented degree. Capitalizing on these structural changes in the environment as growth opportunities, we will work to further expand revenues in both the equity and FICC businesses based on an expanding, more robust customer base, a core strength of the Group, and on enhanced solution proposal capabilities.

In Equities, we will maintain our robust domestic institutional investor base while broadening our engagement with overseas investors and large institutions through multiple channels to accelerate the incorporation of revenue opportunities centered on the wholesale Japanese equities business. In FICC, as interest rate hikes gain momentum, we will capture increasingly aggressive investor flows in Japan and abroad, meeting the diversifying needs of customers to steadily transform growth opportunities into profits.

Through these initiatives, we will further deepen collaboration with other Group divisions and establish a platform for sustainable revenue growth while enhancing the Group's presence in global capital markets.

Key strategies and earnings trends

1. Strengthen collaboration between WM Division and GIB
2. Expand client touchpoints for Japanese equities on a global basis
3. Enhance the provision of sophisticated investment and risk management solutions tailored to the interest rate environment
4. Improve efficiency through function consolidation, primarily in overseas businesses



Analyst ranking

One of the most traditional equity research institutions in Japan, Daiwa Securities' Research Division has remained consistently committed to a fundamentals-driven approach to research. As a result, we have produced numerous analysts who are ranked highly in the Nikkei Veritas and Extel analyst rankings. In the 2026 Nikkei Veritas analyst rankings, we ranked No. 1 among all firms in both the Equities category and the bond and exchange rate category.

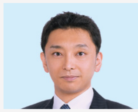
2026 top ranked analysts

Equity (No. 1 ranked analysts)


Takumi Sado (Electronics/Components)


Eiji Hakomori (Autos)


Kazuaki Hashiguchi (Biotechnology & Pharmaceuticals)

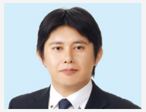

Noritsugu Hirakawa (Technical Materials)


Hirosuke Tai (Machinery)


Hideaki Teraoka (Construction, Housing & Real Estate)


Makoto Ueno (IT & Software)


Satoru Sekine (OTC & Small Companies)


Yusuke Miura (OTC & Small Companies)


Eiji Kinouchi (Thematic Research)

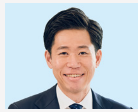

Masahiro Suzuki (Quantitative Research)


Naoki Ieiri (Sustainability (ESG))

FICC (top ranked analysts)


Eiichiro Tani (Fixed Income)


Kenji Yamamoto (Economist)


Kenta Tadaide (FX)


Fumio Taki (Credit)


Yuki Sakamoto (Credit)


Takao Matsuzaka (Credit)


Koji Matsushita (Securitization)


Shun Otani (Securitization)

Global Investment Banking Growth Strategy

Driving revenue growth through finance and M&A by capturing corporate transformation and growth

The environment surrounding corporations is changing drastically, with growing geopolitical risk, shifts in Japanese trade and industrial policies, corporate governance reforms, and the normalization of interest rates. Against this backdrop, corporate actions are accelerating, including the unwinding of strategic shareholdings, large-scale industry consolidation, and delisting. These are all excellent opportunities for the investment banking business to demonstrate their value-added capabilities, and we will bring together the Group's integrated strengths to translate these trends into sustainable growth.

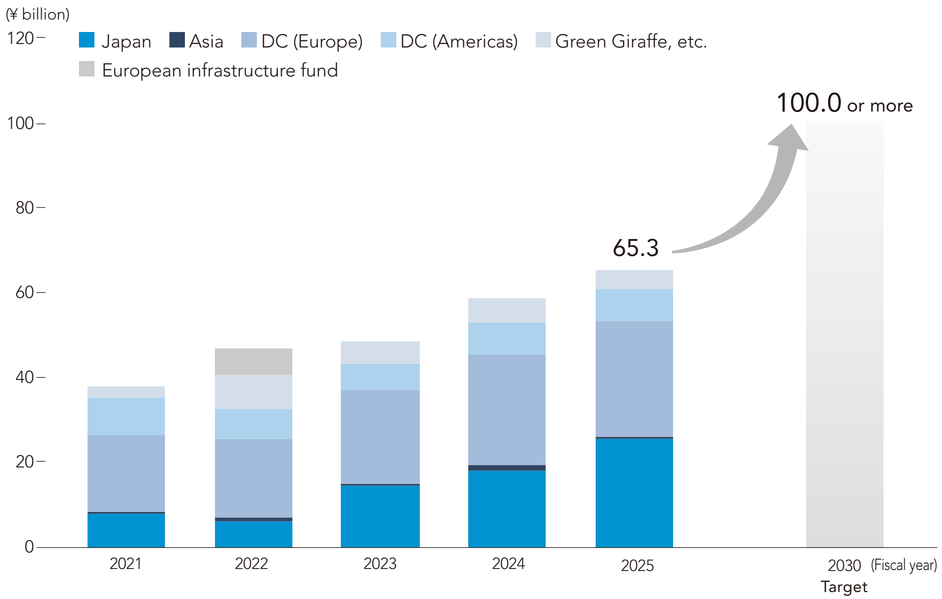
In the finance-related business, we are enhancing our ability to address increasingly diverse financing and capital policy needs across both ECM and DCM by deepening collaboration with GM and the WM Division amid significant changes in market and industry conditions. Demand for M&A services among Japanese companies remains strong, steadily expanding revenue opportunities. In GIB, we position M&A as a key driver of medium- to long-term growth. In addition to strengthening our domestic and international platforms, we are expanding our involvement in large-scale domestic projects as well as cross-border acquisitions and sales transactions involving overseas companies by deepening relationships with business corporations and PE funds. We are also strengthening our ability to originate cross-border transactions by leveraging DC Advisory's network. Given the expanding revenue opportunities in Japan and overseas, we plan to raise our M&A-related revenue target from the original ¥70 billion to approximately ¥100 billion in FY2030.

Business environment outlook and strategy

ECM/IPO	◆ Growing potential funding needs in addition to secondary offerings ◆ IPO volume trending lower overall, but deals expected to grow larger over the medium / long term including re-listings
DCM	◆ Issuers' funding appetite continues ◆ Diversification of funding methods including foreign-currency bonds is expanding revenue opportunities
M&A	◆ Needs of domestic companies for M&A remain at high levels ◆ Overseas M&A is recovering despite remaining geopolitical risks, with further growth expected

1. Strengthening domestic and overseas M&A structure
2. Strategic resource allocation to growing corporate actions
3. Provide diverse solutions through cross-divisional collaboration
4. Enhance client engagement and proposal quality through AI

Group M&A-related revenue trends and plan



M&A business strategy and target outcomes

	Business foundation	Strategy
Domestic	Broad relationships with corporates and PE funds	◆ Expanding large deals ◆ Expanding PE fund deals ◆ Strengthening cross-border deals
Overseas	DC Advisory's global network	◆ Concentrate resources on core sectors common to Europe and the Americas ◆ Differentiate Europe/Americas deals through collaboration with Japan and Asia ◆ Explore diverse growth options including inorganic (North America)

Global Markets & Investment Banking Strategy

Employee comment: Sustainable growth underpinned by the frontline

Serving as a bridge between the GM Division and WM Division, I leverage data and AI to enhance the quality of our consulting services.

As a data scientist that serves as a bridge between the GM Division and WM Division, I engage in the cross-sectional analysis of data, encompassing the characteristics of customers and regions, as well as the activities of frontline employees, to identify each branch's strengths and challenges. Drawing on this analysis, I translate these insights into actionable recommendations and share them with frontline teams. By leveraging data and AI, I objectively identify issues that cannot be fully captured through experience alone, and through collaboration with specialized departments within the GM Division, I help differentiate our services from those of competitors while improving the quality of consulting services provided to customers.

At the same time, I have experienced the challenges of ensuring that analytical insights translate into frontline decision-making. This has taught me the importance of effectively communicating insights and providing support that extends to implementation. Furthermore, to ensure that data science expertise is not limited to the GM Division, but also reaches the WM Division, I am working to promote the use of AI in training and operations, and to develop talent capable of utilizing data.

Based on the belief that data is the foundation that underpins optimal decision-making, I will leverage my experience in bridging the gap between the frontlines and data to lead decision-making across the entire Group and contribute to sustainable growth going forward.

Koji Maeda
Director
Global Markets Strategic Planning Department concurrently serving in NPS Acceleration Department and Digital Acceleration Department
Daiwa Securities

I create new value by linking social issues with funding needs.

The Sustainability Solutions Department provides sustainable finance solutions that transcend the boundaries of such traditional products as bonds and equity to various entities, including business corporations.

In FY2025, I was part of the team that served as lead manager for ITOCHU Corporation's orange bond, the first of its kind in Japan. This project was the culmination of more than a year of close dialogue with the issuer, external review providers, and investors. By linking the social challenge of achieving gender equality to corporate growth strategies and supply chains, we were successful in providing an innovative solution that balances social impact with financing needs.

In order to transform sustainability from a cost into a new revenue opportunity, securities firms are expected to play a role in connecting related parties and turning these initiatives into practical and effective financing frameworks. Looking ahead, I will continue to explore a wide range of solutions that contribute to solving social issues and enhancing corporate value.

P65 Promoting sustainable finance

Moyu Yamada
Associate Director
Sustainability Solutions Department
Daiwa Securities

ORANGE BOND INITIATIVE™
Investing in Gender Equality

Orange Bond Initiative™: An international initiative that promotes the mobilization of funds and the development of the orange bond market to achieve gender equality.

Overseas Business

The Group's overseas operations continue to lay the groundwork for sustainable growth through the strategic allocation of resources that leverage the competitive advantages of each region, as well as through proactive collaboration and investment.

In the Americas, in addition to our traditional FICC business, equities, which have enjoyed a steady upswing in revenue, are driving the growth of our operations in the region. Both businesses are expanding the flow of customers through product diversification, thereby further stabilizing their revenue base. In particular, regarding US equities, a mainstay product, cooperation with the WM Division in Japan is progressing steadily. Moreover, we are working to cultivate a local customer base by establishing satellite offices in regional financial hubs.

In Europe and the Middle East, we remain committed to improving profitability in a bid to establish a structure that is capable of consistently generating stable profits as an efficient sales base. Turning to the FICC business, we are working to expand our customer and revenue bases by promoting integrated management with the Americas. In Equities, in addition to expanding our product lineup and strengthening customer engagement, we will further expand sales activities in Northern Europe and the Middle East. As part of our M&A activities, we will bolster efforts to not only expand our pipeline, but also improve profitability by strengthening our presence in the mid-cap market, enhancing our coverage structure, and engaging in proper cost control.

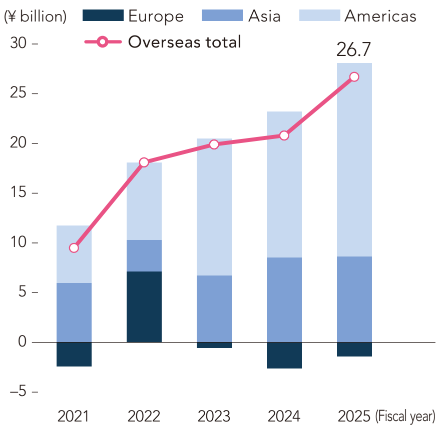
In Asia and Oceania, we are working to improve profitability from pan-Asian equity investors by upgrading and expanding promotional events and investor relations (IR) activities to broaden our customer base for Japanese and Asian equities. In the WCS* business, we are taking preparatory steps to open a new office in Bangkok, in addition to our existing offices in Singapore and Hong Kong. Furthermore, by forming a business alliance with Affin Hwang Investment Bank in Malaysia with which we have a long-standing relationship, we will begin providing services tailored to the needs of Malaysia's high-net-worth individuals. Building on this endeavor, we will work to expand our customer base through collaboration between Japan and Asia as part of ongoing efforts to cultivate high-net-worth Chinese customers.

With a view to promoting our alliance strategy, we are focusing on Asia to capture market growth through partners in various countries and to generate synergies with the Group. In India, we began a business partnership with the Ambit Group in 2016, and since acquiring an equity stake in Ambit Private Limited in 2023, have progressively deepened collaboration. In forging closer ties, we took up equity investments in Ambit Finvest Private Limited, a non-bank financial institution, in 2024, and in Ambit Wealth Private Limited, which operates a wealth management business targeting ultra-high-net-worth individuals in 2026. Through these investments, our goals are to capitalize on the growth of India's non-bank financial and wealth management sectors, which are expected to experience high growth over the medium to long term, and to contribute to the promotion of financial inclusion in the region.

Through these means, we will secure sustainable growth across our overseas business as a whole by developing businesses tailored to the strengths of each region in line with their growth potential and profitability.

* Wealth and Corporate Solutions: Private banking solutions mainly to high-net-worth Japanese citizens living abroad and to corporate customers that are overseas subsidiaries.

Overseas business: Trends in ordinary income



Direction of regional strategy

Investment/alliances with Ambit Group

- **2016** — **Business alliance with Ambit**: Alliance in the M&A advisory business area
- **2023** — **Capital alliance with Ambit**: Collaboration in equity, ECM, and other areas
- **2024** — **Investment in Ambit Finvest**: Capturing growth in India's non-bank business
- **2026** — **Investment in Ambit Wealth**: Acquired a partner for wealth management services targeting India's ultra-high-net-worth segment

Pursuing Transformative Growth (external alliances, M&As, growth investments)

Daiwa Securities Group maintains a well-diversified business portfolio. In addition to steadily expanding existing businesses across each segment, we will actively pursue growth opportunities through strategic investments and external alliances. Moving forward, the Group will work diligently to achieve sustainable ROE improvement through a balanced approach that combines both organic and inorganic growth.

Our approach to strategic investments and alliances

Growth investments that utilize surplus capital are an important component of the Group's strategy for sustainable growth. To capture attractive growth opportunities, we continuously evaluate investments and partnerships with companies in Japan and overseas across areas such as expanding our customer base, enhancing capabilities and product offerings, and fostering open innovation. Through these initiatives, we aim to strengthen earning power, further enhance our business portfolio, and continue advancing our governance and management framework.

Criteria for deciding on investments and strategic alliances

- Market size/ growth potential
- Strategic fit
- Capital efficiency
- Competitive advantage

Hurdle rate

A level that can achieve **10% ROE** based on regulatory RWA

Capital cost (approx. 9%) + Individual risk premium + Interest rate differential

Business portfolio

Daiwa Securities Group

- Wealth Management
- Asset Management
- GM&IB
- Other

×

Direction of inorganic strategy

- ✓ Customer base expansion
- ✓ Capability enhancement and product expansion
- ✓ Open innovation

Collaboration with key partners

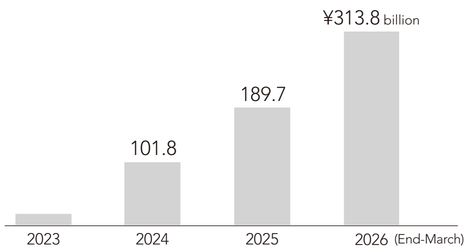
Leveraging the Group's expertise, experience, and platforms in the securities business, we work with strategic partners to provide securities investment services to their customers.

Collaboration with JAPAN POST BANK

JAPAN POST BANK

JAPAN POST BANK Fund Wrap balance*

(Started offering in May 2022)

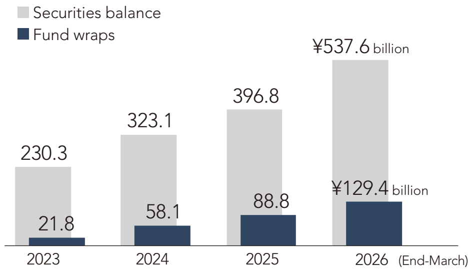


* Selected financial information of JAPAN POST BANK for the fiscal year ended March 31, 2026

Comprehensive business alliance with Shikoku Bank

四国銀行 & 大和証券

Shikoku Bank securities balance*

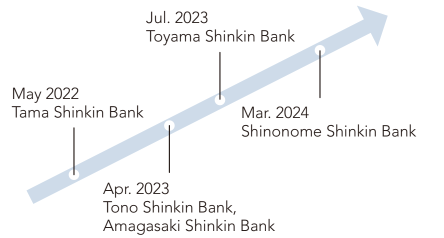


* Consolidated financial results of Shikoku Bank for the fiscal year ended March 31, 2026

Partnerships with Shinkin Central Bank

SHINKIN CENTRAL BANK

Partner credit unions offering Shinkin Fund Wrap



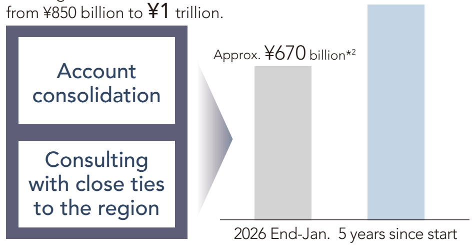
Comprehensive business alliance with Bank of Iwate

岩手銀行 & 大和証券

The partnership commenced on April 6, 2026.

Assets on deposit held by both companies*1

The target has been raised from ¥850 billion to ¥1 trillion.



*1 Bank of Iwate and Daiwa Securities Morioka Branch

*2 Includes insurance

Pursuing Transformative Growth (external alliances, M&As, growth investments)

Alliance with Aozora Bank

Through broader utilization of each firm's capabilities and mutual client referrals, the benefits of the alliance are steadily being realized in the Corporate division and the GIB division as well as across various other divisions. By leveraging Aozora Bank's lending, trust, and other strengths, we are enhancing and diversifying our investment banking capabilities in areas such as underwriting and M&A advisory services. In addition, Daiwa Securities provides the Aozora Mirai Irodori Wrap, a fund wrap service, to Aozora Bank's retail customers.

Advancement and diversification of corporate solutions

GM&IB

- ✓ Joint LBO proposals delivering unique solutions to clients
- ✓ Execution and expansion of joint funding schemes to diversify short-term financing
- ✓ Growing track record in corporate finance, growth-company support, and real estate

AM

- ✓ Initiated collaboration in renewable energy project finance
- ✓ Continued deal sourcing through the jointly-invested Daiwa-Aozora Challenge Fund

Retail business also steadily building track record

WM

- ✓ Sales of fund wrap started at Aozora Bank in October 2025
- ✓ Fund wrap balance significantly exceeded plan at ¥67.4 billion (end-March 2026); planning approx. ¥100 billion for FY2026

Alliance effects

	End-Mar. 2025	End-Mar. 2026
No. of customers agreeing to referrals*1	450 companies	970 companies
Total investments & loans executed*2	¥39.0 billion	¥286.0 billion
Aozora Bank's core operating profit	n.a.	+¥3.5 billion

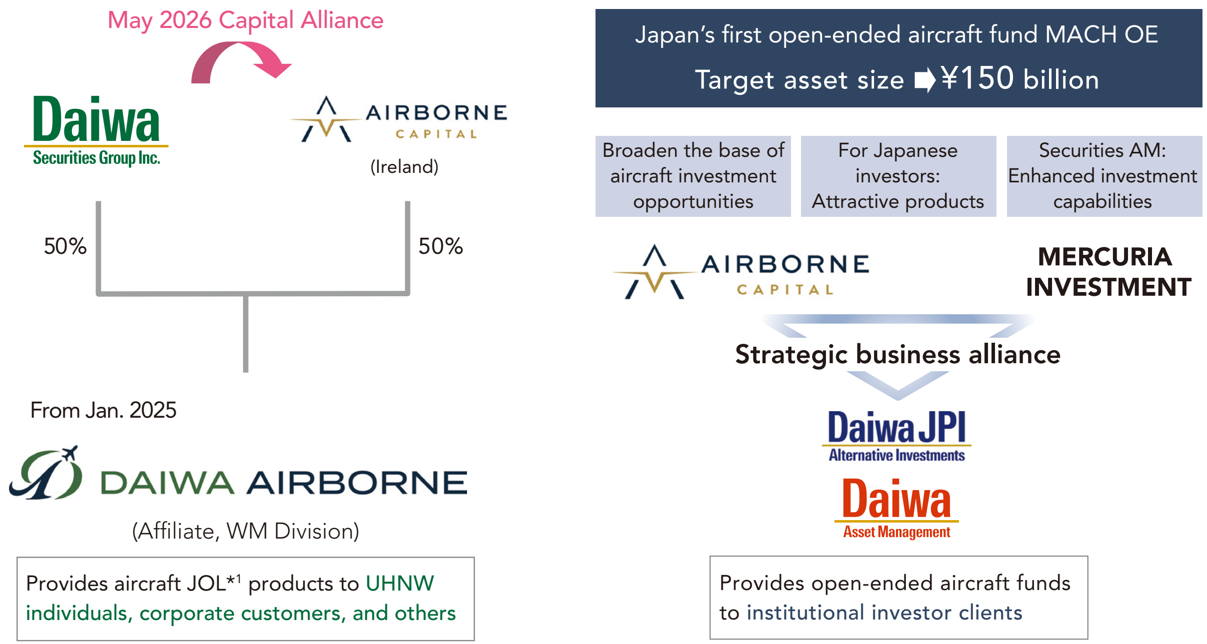
*1 Cumulative number of information-sharing consent agreements obtained from FY2024 onward
*2 Cumulative from FY2024 onward; repayments not considered

Capital and business alliance with Airborne Capital Limited

On May 20, 2026, the Group announced its investment in Airborne Capital, a co-shareholder of Daiwa Airborne. Airborne Capital has a strong track record and deep expertise in aircraft leasing and aviation investments. By strengthening our relationship with the company, we aim to broaden access to aircraft investment opportunities in Japan and benefit from the growth of this market. We are also partnering with Airborne Capital on Japan's first open-ended aircraft fund. Through these initiatives, we will provide institutional investors with new investment opportunities, further expand our asset management business in alternative investments, and create additional revenue opportunities for the Group.

Company Name	Airborne Capital Limited
Shareholders	Airwayy Partnership LLP (90%) Daiwa Securities Group Inc. (10%) ⇛ 20% in the future
Strengths	◆ One of the world's leading specialist aircraft asset management companies ◆ Specialist team with backgrounds from airlines, aircraft OEMs, and financial institutions
Rationale	◆ Strengthen the provision of aircraft investment opportunities in Japan ◆ Capture growth in the aircraft investment market

Capture growth in the aircraft investment market by strengthening the partnership with Airborne Capital Limited



*1 Japanese Operating Lease

Pursuing Transformative Growth (external alliances, M&As, growth investments)

Acquiring ORIX Bank as a subsidiary

Daiwa Securities Group announced its acquisition of ORIX Bank as a subsidiary on April 27, 2026. The purpose of this transaction is to drive sustainable growth in stable earnings and enhance ROE through the strengthening of our wealth management business.

Transaction overview

100% subsidiarization*1

Daiwa Next Bank acquired all issued shares of ORIX Bank

Number of Shares Acquired	1,200,000
Voting Rights Ratio	100%

Acquisition price*2 ¥370 billion

Fully self-funded acquisition

- The acquisition will be financed entirely from own funds.
- Represents a strategic deployment of capital buffer, with financial soundness maintained.

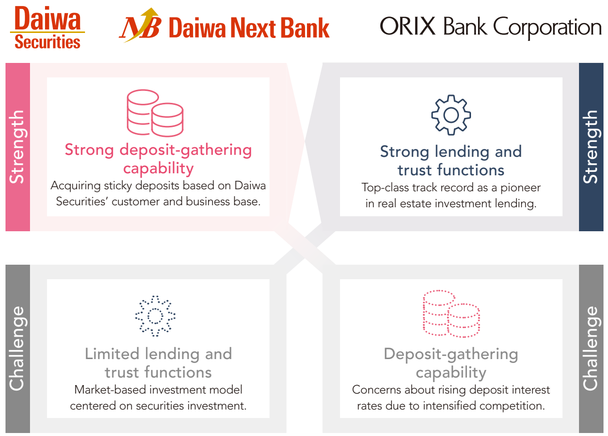
*1 A merger of the two banks is anticipated in the future.
*2 The final acquisition price will be determined after price adjustments stipulated in the share transfer agreement.

Purpose of the acquisition

Daiwa Securities Group and ORIX Bank are highly complementary. By integrating Daiwa Securities Group's deposit-gathering capabilities, supported by its strong customer base and sales platform, with ORIX Bank's well-established lending and trust capabilities, we will enhance our ability to address customers' needs across both sides of the balance sheet.

The balance between assets and liabilities changes over the course of a customer's life. Leveraging ORIX Bank's lending and trust capabilities, we will provide total asset consulting that optimizes customers' overall balance sheets, encompassing not only assets, but also liabilities. Through this approach, we will further enhance our ability to deliver solutions tailored to each customer's stage of life.

An ideal match: Mutually complementary strengths and challenges



Optimizing the balance sheet of client assets and liabilities

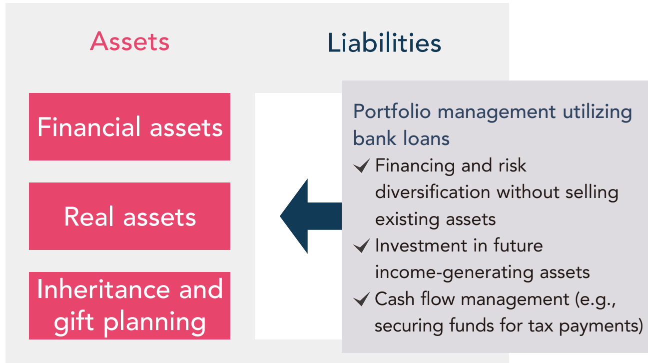
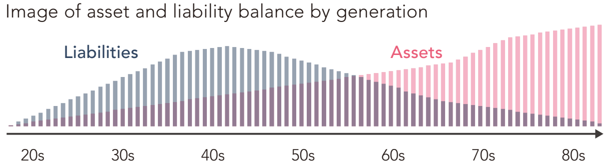


Image of asset and liability balance by generation



Positive effects expected from this acquisition*1

Non-linear improvement in consolidated ROE via the strategic use of capital buffers

First year of acquisition (Annualized)	Net income: +¥12 to ¥14 billion ROE*2: +0.7 to 0.8%		
FY2030	Net income: +¥36.5 to ¥43.5 billion ROE*2: +2.1 to 2.6%	+	Spillover effects to securities business, etc.

- Earnings contribution from ORIX Bank: ¥20 billion (ORIX Bank's past 5-year average net income is approx. ¥20 billion.)
- Net income uplift from net interest income improvement: FY2030 ¥24.5 to ¥29.5 billion*3
- Tentative goodwill amortization: Approx. –¥6 to –¥8 billion/year (assuming amortization period of 15 to 20 years.)

*1 Synergy estimates exclude interest costs of perpetual subordinated bonds (timing and amount TBD) and effects other than net interest income improvement. (e.g., spillover effects to securities business from enhanced lending/trust functions or cost synergies from the two-bank merger, etc.)
*2 Calculated based on average shareholders' equity for the fiscal year ended March 31, 2026.
*3 Potential for an increase in earnings based on the investment of over ¥3.5 trillion (see the next page), assuming net interest income of 1% to 1.2% after deducting operating expenses and credit costs.

Pursuing Transformative Growth (external alliances, M&As, growth investments)

Pathway to a total asset management business model

Through the acquisition of ORIX Bank, the scope of the Group's services will expand significantly beyond financial assets to include real estate, wealth and business succession, and lending. In particular, by making effective use of bank financing, we will be able to help high-net-worth customers with concentrated portfolios obtain liquidity and diversify risk without having to sell existing assets. Moreover, we will also be better positioned to support more sophisticated cash flow management needs, including investing in future income-generating assets and securing funds for tax payments.

The Group has long been at the forefront of the industry's shift from a brokerage-centric business model to a wealth management business model. With the acquisition of ORIX Bank, our coverage will extend beyond customers' assets to encompass customers' entire balance sheets, enabling us to provide more comprehensive support across both sides of the balance sheet. As a result, we believe the Group will evolve beyond a traditional wealth management model into a total asset management business model. This will significantly expand the growth opportunities of our wealth management business.

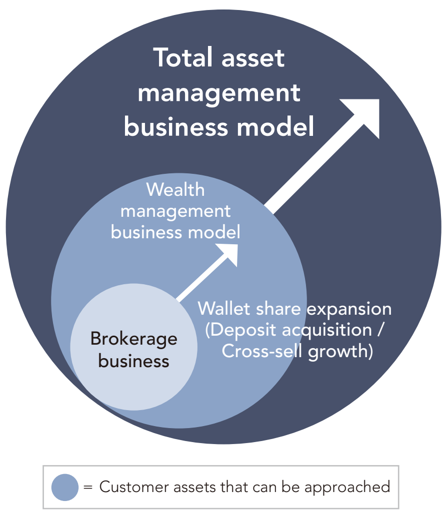
Unlocking the full potential of our combined strengths

The integration of Daiwa Next Bank and ORIX Bank will create a strong and well-diversified balance sheet, with an appropriate mix of loans and securities, as well as ordinary and time deposits.

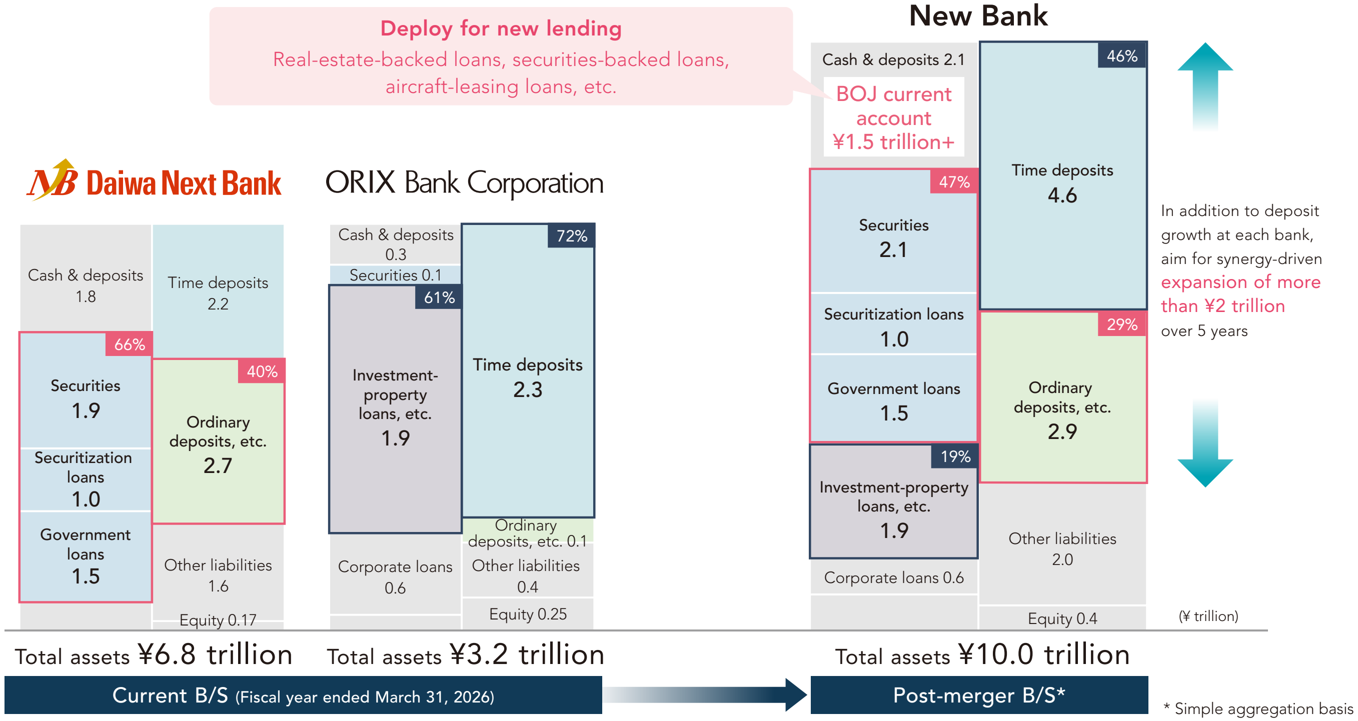
In addition to the excess reserves of over ¥1.5 trillion held by Daiwa Next Bank, we aim to build more than ¥2 trillion in additional deposits over the next five years through competitive deposit offerings and other measures. By deploying the combined funds of more than ¥3.5 trillion into capital-efficient real estate-backed and securities-backed lending, we expect to further enhance net interest income.

Business expansion through enhanced banking functions

WM business growth potential expands dramatically



A stronger balance sheet through the integration of the two banks



Message from the CFO

Building a virtuous cycle of sustainable growth and enhanced corporate value through the expansion of Base Income and strategic capital allocation

Kotaro Yoshida
Executive Managing Director and CFO
Daiwa Securities Group Inc.

As I enter my third year as CFO, I believe Daiwa Securities Group is facing one of the most significant turning points since I joined the Group. In addition to the intensifying shift "from savings to investment," Japanese financial and capital markets are entering a phase of structural change, driven by the transition to a positive interest-rate environment and continued progress in corporate governance reforms.

In FY2025, I had many opportunities to engage with investors in Japan and overseas. Through these discussions, I felt that investors are showing even greater interest than before in how the Group will achieve sustainable growth amid this turning point. Despite this growing recognition of the Group's revenue stability through the expansion of Base Income and growth potential of the wealth management business, investors are seeking greater transparency and accountability regarding the sustainability of the Group's growth, our approach to capital allocation, and the specific path toward improving capital efficiency.

This growing interest in capital allocation and improved capital efficiency is precisely the fundamental issue the Group must address as it enters its next phase of growth. As a concrete step in this direction, the Group announced the acquisition of ORIX Bank as a subsidiary in April 2026, which represents the largest investment in the Group's history. This acquisition is a strategically significant investment in the wealth management area, one of our core businesses, and is expected to lead to a substantial enhancement of the value we provide to our customers. Because this is the largest investment we have ever made, I am acutely aware of the need to carefully assess its impact on our financial foundation and achieve the optimal balance between growth investments, capital efficiency, and shareholder returns. This is the issue I am most committed to addressing today.

FY2025 in Review

An unprecedented opportunity for growth

Looking back on FY2025, equity markets experienced periods of significant volatility driven by factors, including US reciprocal tariff policies and developments in the Middle East. Nevertheless, supported by solid corporate earnings, the Nikkei Stock Average (Nikkei 225) trended upward overall and reached substantially higher levels. Long-term interest rates also continued to rise, with the yield on 10-year Japanese government bonds exceeding 2%, as Japan moved further into a positive interest rate environment. These changes mark a clear departure from the deflationary environment that persisted for many years. I believe they represent an unprecedented opportunity to further expand our growth.

On track to exceed Medium-Term Management Plan targets

Under this favorable business environment, we made steady progress in achieving the performance KPIs set out in our Medium-Term Management Plan "Passion for the Best" 2026 in FY2025. ROE was 10.3% compared with the Plan target of around 10%, and Base Income was ¥182.7 billion compared with the Plan target of ¥150.0 billion. Both exceeded the final year targets in the second year of the three-year Medium-Term Management Plan. Ordinary income reached ¥234.5 billion, steadily approaching the Plan target of at least

Message from the CFO

¥240 billion, putting us within reach of exceeding the target in FY2026. I am increasingly confident that these results are not simply attributable to favorable external conditions, but reflect our steady efforts over the past decade to transform our business model and strengthen the revenue base.

The Group delivered strong results in FY2025, with net operating revenues of ¥720.4 billion (up 11.5% year on year) and net income attributable to owners of the parent of ¥175.2 billion (up 13.5% year on year), both reaching record highs. By division, the Wealth Management (WM) Division achieved a new record for asset-based revenues* and reached its highest ordinary income ever at ¥112.0 billion thanks to progress in portfolio proposals aligned with customer needs against the backdrop of the continued penetration of total asset consulting. In the Asset Management (AM) Division, both Securities and Real Estate Asset Management expanded AUM, and both net operating revenues and ordinary income reached record highs. In the Global Markets & Investment Banking (GM&IB) Division, Global Investment Banking (GIB) effectively captured opportunities arising from changes in global capital markets, with both net operating revenue and ordinary income reaching record highs. I believe these results reflect the fact that each division has consistently provided solutions tailored to client needs, based on the Group's basic management policy of **maximizing customer asset value**.

Among the performance KPIs, we place particular emphasis on Base Income, which grew by more than 30% year on year, demonstrating further progress in building an earnings structure that is resilient to changes in the external environment. Base Income is generated from assets entrusted to us by customers in the WM Division and assets under management in the AM Division, meaning it also serves as an indicator that embodies the trust we have built with our customers. In addition, because Base Income supports earnings during periods of market volatility, I feel that it is becoming increasingly recognized by investors as a foundation for steadily maintaining shareholder returns and growth investments. With FY2026 set as the final year of the Plan, we recognize that a key challenge going forward is continuing to optimize the allocation of management resources under our new business platform that includes ORIX Bank, and thereby drive further growth and enhance corporate value.

* Asset-based revenues: Agency fees for investment trusts, investment advisory and account managed fees, bank agency fees and other, revenues from asset-based fee plans for investment trusts, etc

Capital Allocation

Financial and capital strategies

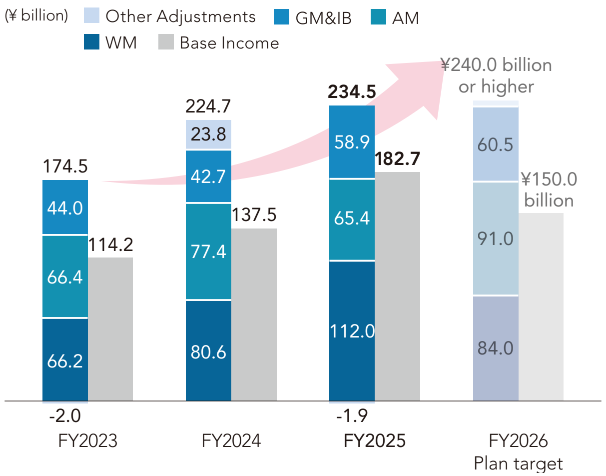
Founded on the principle of maintaining financial soundness, the Group's financial and capital strategy is to allocate capital strategically under an optimal balance between growth investments and additional shareholder returns, thereby achieving sustainable corporate value enhancement. In particular, as growth opportunities continue to expand amid changes in the external environment and the stabilization of our earnings base, our policy is to give priority to growth investments in order to capture these opportunities for growth. Our basic capital policy remains unchanged following the acquisition of ORIX Bank as a subsidiary.

In executing growth investments, we have identified both the wealth management and asset management businesses as key areas for enhancement. Guided by our three strategic pillars—customer base expansion, capability and product enhancement, and open innovation—we flexibly evaluate investment and alliance opportunities in Japan and overseas.

We will continue to broadly consider investment opportunities that meet our investment criteria*, including the ability to contribute to our performance target of approximately 10% in ROE. During the current Medium-Term Management Plan, we have executed approximately ¥510 billion of growth investments thus far, including announced deals. We also regard investments in human capital and digital technologies as strategic investments aimed at strengthening the foundation for sustainable growth, and continue to implement them selectively while carefully assessing their effectiveness.

* Investment criteria: Applied to all investment projects, the Group has set the hurdle rate at a level where investments are able to contribute to an ROE of 10% based on regulated risk assets. Under the condition of strict monitoring and the establishment of an appropriate governance framework after an investment is made, if the initially expected investment outcome cannot be quantitatively and qualitatively verified, and where capital efficiency is deemed to be low, downsizing, withdrawal, and disposal are considered.

Ordinary income / Base Income trends



Message from the CFO

The acquisition of ORIX Bank as a subsidiary will allow us to incorporate lending and trust capabilities into the Group, making this a strategic move that will further the Group's evolution toward a total asset management business model. Upon completion of the acquisition, the consolidated capital adequacy ratio is expected to temporarily decline to approximately 14%. However, this level remains sufficient from a regulatory perspective and does not impair the financial soundness of the Group. While we are also considering the use of non-dilutive perpetual subordinated debt, we intend to steadily build earnings through both the consolidation of ORIX Bank's earnings and synergies such as expanding investment capabilities by leveraging the deposit base of Daiwa Next Bank. We aim to steadily realize a virtuous cycle in which those earnings become the source of future growth investments and other capital deployment.

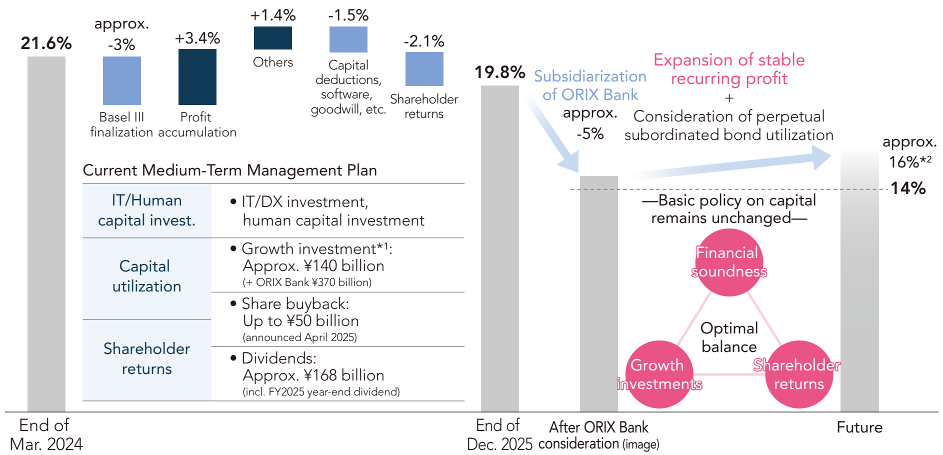
Alongside the promotion of growth investments, we are also working to enhance capital and liquidity management and strengthen expense discipline. In addition to establishing frameworks that enable more flexible utilization of capital and liquidity, we will further refine our monitoring processes and PDCA cycles to ensure disciplined capital allocation. With regard to expenses, we aim to further improve productivity and maintain our capacity for continued growth investment by enhancing operational efficiency through AI and appropriately controlling expenses even as revenues grow.

Growth investments are essential to achieving sustainable growth across the Group. We will continue to capture growth opportunities, realize the returns from our investments, rigorously manage capital profitability by business, and pursue higher ROE and enhanced corporate value.

Shareholder returns

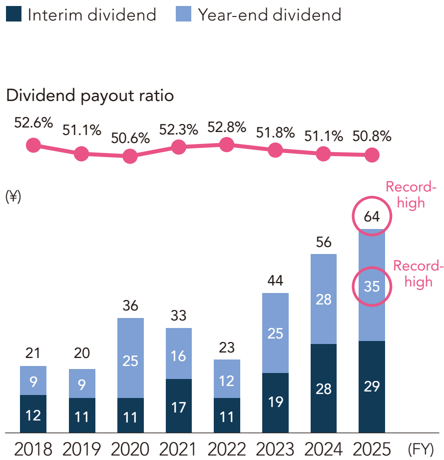
With respect to shareholder returns, we will maintain our current basic policy and maintain a dividend payout of at least 50% on a semiannual basis, reflecting consolidated financial results. In addition, we have committed to a minimum annual dividend of ¥44 per share throughout the current Medium-Term Management Plan period. This policy reflects the stability of our earnings and is intended to meet the expectations of shareholders and investors by enhancing dividend predictability. While the minimum dividend provides a floor, we intend to return the benefits of earnings growth to shareholders through dividends based on a payout ratio of at least 50%. For FY2025, the full-year dividend reached a record high of ¥64 per share, exceeding the previous year's ¥56 .

Trends in the consolidated total capital ratio and investment/capital utilization during the current Plan

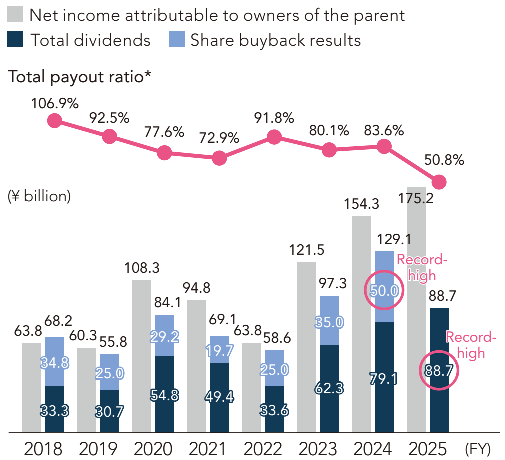


*1 Growth investment figures are net of investment and divestment amounts.
*2 Calculated as: regulatory requirement (11%) + stress-test losses (= 14%), plus a buffer that accounts for restrained OCI volatility.

Trend of dividends per share



Trend in shareholder returns



* Total shareholder return ratio for the fiscal year = (Expected dividends for the year (December of the current year + June of the following year) + Expected share repurchases decided by the date of the full-year earnings announcement) ÷ Expected net income attributable to owners of the parent for the fiscal year.

Message from the CFO

The acquisition of ORIX Bank as a subsidiary might appear to have temporarily reduced the capital available for shareholder returns. As noted earlier, however, this acquisition will significantly enhance the Group's earnings-generating capacity through the consolidation of ORIX Bank's earnings and the realization of synergies. Over the medium to long term, we believe it will also contribute to expanding the capital available to support shareholder returns.

Regarding additional shareholder returns, we will not make decisions mechanically based on any single indicator, such as a specific capital level or PBR. Instead, we will make decisions based on a comprehensive assessment of business conditions, the maintenance of financial soundness, growth investment opportunities, capital capacity, and market valuation. We will also closely monitor the path of improvement in the consolidated capital adequacy ratio and consider additional shareholder returns in light of prevailing circumstances.

Initiatives to Enhance Corporate Value

Strengthening the revenue base

The foundation of the Group's corporate value enhancement lies in building a stable earnings structure that is resilient to changes in the external environment. At the core of this effort is further earnings growth driven by the expansion of Base Income. By achieving sustained improvement in ROE through the growth of Base Income, while also reducing the cost of capital through a more stable earnings structure and increasing the expected perpetual growth rate through proactive growth investments, we aim to further enhance corporate value.

The faster than expected growth in Base Income, which we regard as a key indicator of stable earnings, reflects the accumulation of strategic initiatives across the businesses that comprise Base Income. In the WM Division, continued progress in sales reforms through the transition to an asset management-based business model over the past decade has made steady headway in total asset consulting, leading to increasing asset inflows from both corporate and individual customers. In FY2025, asset inflows reached approximately ¥1.6 trillion, while asset-based revenues linked to customer assets under custody continued to accumulate steadily, marking further progress in establishing a stable earnings foundation.

Securities AM saw AUM expand to ¥44 trillion thanks to an ongoing trend of strong net inflows. Moreover, through our capital and business alliance with JAPAN POST INSURANCE and the acquisition of Daiwa JPI Alternative Investments as a subsidiary, we have steadily increased our presence through expansion into the investment advisory business, including alternative investments. Similarly, Real Estate AM steadily grew AUM to nearly ¥1.8 trillion through methods such as the establishment of private funds. We have established a stable earnings base through disciplined investment management focused on rental housing and mid-sized office properties, which offer strong resilience to inflation.

We have also continued to pursue inorganic growth strategies aimed at expanding our customer base and strengthening our capabilities. The alliances and investments we have accumulated over the years have laid the foundation for broader revenue opportunities and further growth for the Group. Through our capital and business alliance with Aozora Bank, cross-divisional collaboration has led to tangible progress in generating synergies. In addition, assets in JAPAN POST BANK Fund Wrap increased to approximately ¥313.8 billion through collaboration with the JAPAN POST Group. Our business alliances with regional financial institutions, including Shikoku Bank and the Bank of Iwate, have also progressed steadily. Through these external partnerships, we continue to expand our customer base. The acquisition of ORIX Bank builds on these efforts. We view it as a strategic investment that will both broaden our customer base and enhance our products and capabilities, while further strengthening the Group's earnings base.

P37 Pursuing Transformative Growth

Underpinning the sustainable expansion of our earnings base are investments in human resources and digital technologies, which are key sources of the Group's competitiveness. To attract, hire, and retain talented employees, we have raised salary levels by more than 25% on a cumulative basis over the past five years. We were also among the first in the industry to establish the infrastructure for AI utilization, and are now advancing to a stage in which many of our employees are already using AI for work. Through these initiatives, we are steadily strengthening our sustainable competitive advantage.

P48 Source of Value Creation

Enhancing capital profitability

During the first two years of the current Medium-Term Management Plan, consolidated ROE improved steadily from 9.8% in FY2024 to 10.3% in FY2025 while maintaining a controlled level of volatility. These results reinforce our confidence in achieving double-digit ROE on a consistent basis. We will continue to drive EPS growth and improve the risk-return profile of each business, while further enhancing ROE through the contribution of growth investments, including ORIX Bank.

As we work toward the sustainable improvement of consolidated ROE, the expansion of Base Income has strengthened the stability of our earnings base. The Group

Message from the CFO

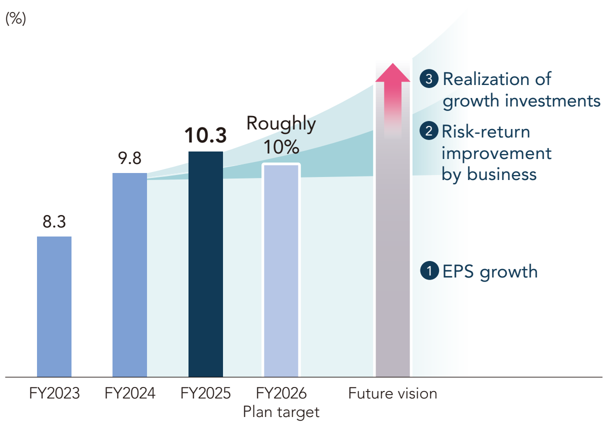
is entering a phase in which we will place even greater emphasis on disciplined capital allocation and capital efficiency. To support this effort, we have enhanced management transparency through the disclosure of segment-level ROE and established a framework under which each segment develops and executes strategies to improve capital efficiency.

In capital-light businesses such as the WM Division, Securities AM, and GIB, we focus on increasing earnings, profitability, and earnings stability. In more capital-intensive businesses, including GM, Alternative AM, and Real Estate AM, we seek to improve capital profitability through a disciplined balance between earnings and capital employed.

Through detailed analyses that reflect the characteristics of each business, we allocate management resources on a prioritized basis to businesses that contribute to higher capital profitability. At the same time, for businesses with lower capital profitability, we pursue improvement initiatives while maintaining the flexibility to make timely and appropriate decisions regarding downsizing and withdrawal when necessary.

P47 ROE by Segment

ROE trend



Enhancing creditworthiness: A foundation for reaching greater heights

As a result of these initiatives, FY2025 saw S&P raise its outlook on our ratings, followed by one-notch rating upgrades from both JCR and Moody's for Daiwa Securities Group Inc. and Daiwa Securities.

We believe these actions reflect the progress we have made in strengthening our credit profile through more stable earnings, a stronger financial foundation, and ongoing efforts to reduce our cost of capital, which we believe has been recognized by third-party institutions.

Following the acquisition of ORIX Bank as a subsidiary, Moody's revised the Group's ratings outlook downward, whereas other agencies maintained their ratings and outlooks. Although this acquisition will result in a temporary decline in the consolidated total capital ratio, we believe that incorporating ORIX Bank's earnings capacity and realizing synergies will enhance the Group's capital generation capability and stable earnings base over the medium to long term, ultimately leading to a stronger credit profile.

Ratings (as of May 21, 2026)

Daiwa Securities Group Inc.		
Rating agency	Long-term rating	Outlook
R&I	A+	Stable
JCR	AA−	Stable
Moody's	A3	Negative
S&P	BBB+	Positive
Fitch	A−	Stable
Daiwa Securities		
Rating agency	Long-term rating	Outlook
R&I	A+	Stable
JCR	AA−	Stable
Moody's	A2	Negative
S&P	A−	Positive
Fitch	A−	Stable

Enhanced creditworthiness contributes to a stronger financial foundation by lowering financing costs. Securities businesses are often perceived as having a high degree of revenue volatility, however, the Group has strengthened earnings stability through the expansion of Base Income. We believe that the combination of more stable earnings and a stronger financial base further enhances our ability to generate ROE above our cost of capital, thereby contributing to sustainable growth in corporate value. Moreover, we believe this robust foundation will support the Group in achieving further growth and reaching even greater heights.

Building a stronger earnings structure

To build a more resilient earnings structure, as CFO I have taken the lead to improve operational efficiency, accelerate the use of AI, and strengthen base cost management.

By embedding AI agents across the Group and fundamentally redesigning business processes, we will aim to free up time for higher-value activities. In tandem, we are strengthening cost discipline through greater

History of Daiwa Securities Group rating/outlook changes

Date	Agency	Change	Entity	Rating/Outlook
2024 May	R&I	▲Upgrade	Daiwa Securities Group Inc. Daiwa Securities	A+/Stable A+/Stable
2024 Dec.	JCR	▲Outlook Upgrade	Daiwa Securities Group Inc. Daiwa Securities	A+/Positive A+/Positive
2025 Feb.	Moody's	▲Outlook Upgrade	Daiwa Securities Group Inc. Daiwa Securities	Baa1/Positive A3/Positive
2025 Aug.	S&P	▲Outlook Upgrade	Daiwa Securities Group Inc. Daiwa Securities	BBB+/Positive A-/Positive
2025 Dec.	JCR	▲Upgrade	Daiwa Securities Group Inc. Daiwa Securities	AA-/Stable AA-/Stable
2026 Feb.	Moody's	▲Upgrade	Daiwa Securities Group Inc. Daiwa Securities	A3/Stable A2/Stable
2026 Apr.	Moody's	▼Outlook Downgrade	Daiwa Securities Group Inc. Daiwa Securities	A3/Negative A2/Negative

Message from the CFO

visibility into and monitoring of Base Costs*, which represent recurring expenses excluding external and one-off factors. Savings generated through these initiatives will be reinvested in growth opportunities.

Through these measures, we will improve productivity, allocate resources more strategically to growth investments, and further strengthen our earnings base to support sustainable profit growth and enhance corporate value.

* Base Costs: Recurring costs that exclude environmental factors (trading related expenses, etc.) and one-off factors (strategic IT investments, etc.)

Reducing Strategic Shareholdings

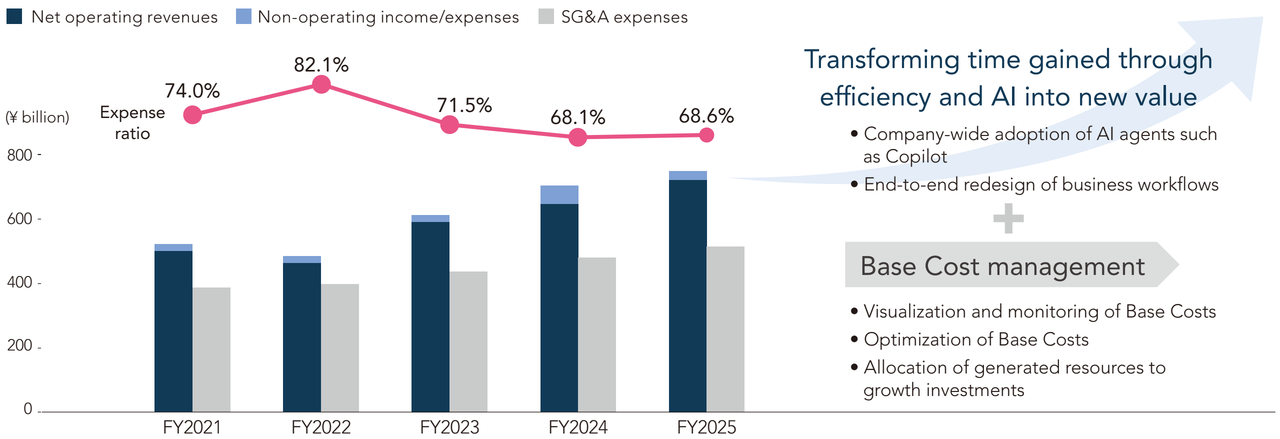
The Group regularly reviews all strategic shareholdings to assess the rationale for continued ownership. In this regard, we have set quantitative and qualitative standards that we use to comprehensively examine whether such holdings contribute to greater corporate value over the medium to long term for the Group, primarily from the perspective of whether returns associated with the holdings exceed the cost of capital.

We retain only those holdings for which a sufficient strategic rationale is recognized and have been steadily reducing our holdings in line with this policy.

Our reviews as of March 31, 2026 found that approximately 30% of our counterparties did not meet the quantitative thresholds. For these holdings, we also assess qualitative factors, including the maintenance and development of business relationships, and seek to improve profitability. Where a holding is determined to have limited strategic value, we will proceed with its sale, while giving due consideration to market conditions and other relevant circumstances.

In FY2025, we sold ¥15.4 billion worth of strategic shareholdings at market value. As of March 31, 2026, the book value of strategic shareholdings stood at ¥86.2 billion, and the percentage of strategic shareholdings (based on the market value of listed and unlisted equities) to consolidated net assets was 9.3%. We will continue to assess the rationale for holding these shares and engage in thorough dialogue with our business partners as we work to further reduce strategic shareholdings from the perspective of efficient capital allocation.

Consolidated revenue and SG&A expenses trends



Note: Group consolidated expense ratio = SG&A / (net operating revenue + non-operating income and expenses)

Dialogue with Stakeholders

Dialogue with shareholders, investors, and analysts represents an invaluable opportunity to enhance the Group's corporate value, and provides valuable insights that support management decision-making. We believe that a timely and accurate understanding of the Group's growth strategy and business activities amid a rapidly changing environment, while reducing information asymmetries with the capital markets, contributes to a more appropriate market valuation and a lower cost of capital.

The insights and perspectives gained through dialogue not only with shareholders and investors, but also with individual and corporate clients, officers, employees, and other stakeholders are regularly shared with the Board of Directors and Executive Management Committee and reflected in the formulation and review of management, financial, and capital strategies. In particular, we intend to incorporate feedback acquired through stakeholder engagement into the next Medium-Term Management Plan, which is currently under development, with the aim of enhancing the specificity and effectiveness of our strategies.

Through continued constructive engagement with the capital markets, we will continue to enhance the transparency and discipline of management, thereby contributing to the sustainable enhancement of the Group's corporate value.

ROE by Segment: Accurately monitor capital profitability by business

The Group analyzes capital usage and its return for each segment, striving for optimal capital efficiency to increase our overall ROE.

In FY2025, the Global Markets & Investment Banking (GM&IB) Division's capital usage stood at 37% of the total. The Division is a capital-intensive business that holds trading positions in financial products, leading to lower ROE. The WM and AM Divisions, which use less capital, have higher ROE.

However, we should not allocate management resources based solely on the ROE level of each segment. The WM and GM&IB Divisions work closely together, essential to maintaining each other's competitive edge, like two wheels of a cart. The equities and bonds managed by the GM&IB Division are key drivers for the WM Division's expansion and growth.

By significantly expanding the WM and AM Divisions, we aim to reduce the relative capital usage of the GM&IB Division and enhance capital efficiency in GM, thereby boosting the Group's overall ROE.

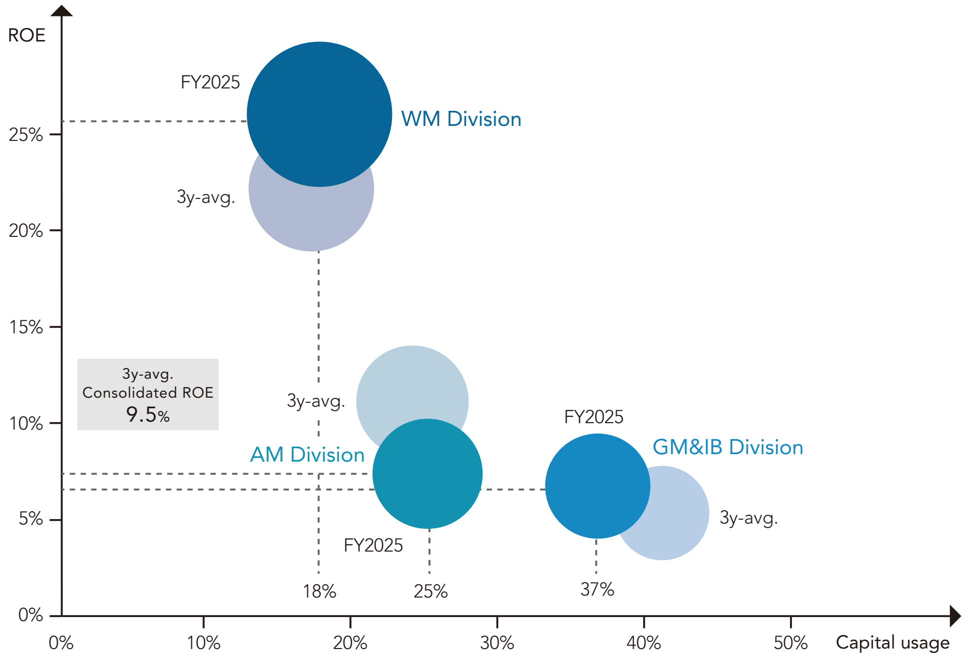
Capital usage (RWA base) and business attributes

Total RWA: ¥7.2 trillion (Avg. of FY2023-FY2025)

Wealth Management	- Capital light - Mainly Daiwa Securities and Daiwa Next Bank - Main risks are associated with HR/IT investments
Asset Management	- Overall capital light - Real Estate AM and Alternative AM account for the majority of RWA
GM&IB	- GM is capital intensive as it holds trading positions - GIB is capital light

ROE by segment*

Figures for ROE, capital usage, and ordinary income are **3y-avg.** of FY2023–FY2025



* 3-year-average of FY2023-FY2025. Circle size = ordinary income. The capital usage sum of the main three segments will not be 100% due to the Other segment (capital usage: 18%).

(Fiscal year)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Group Consolidated ROE	17.0%	12.8%	9.5%	8.4%	8.8%	5.1%	4.9%	8.5%	7.0%	4.6%	8.3%	9.8%	10.3%

Source of Value Creation

Human Capital

Message from the CHO

Placing importance on personnel (Corporate Principles)

The Group will promote the creativity of employees by offering them a challenging and self-directed working environment that encourages their abilities and appropriately rewards their contributions.

Daiwa Securities Group recognizes that human capital is the driving force behind its sustainable competitive edge and the foundation that underpins the creation of corporate value. Accordingly, we are committed to creating an environment in which each and every employee can fully realize their potential. Cognizant of the need to ensure organizational cohesion and increase employee engagement, we are also fostering a corporate culture of mutual respect and a workplace in which employees challenge themselves while supporting each other's growth. This we believe will help enhance corporate value on a sustainable basis.

We are also focusing on developing digital and AI talent. In 2022, we established the Daiwa Digital College, offering a wide-ranging curriculum to help all employees acquire the skills necessary to realize our Digital Strategy. At the same time, guided by the need to turn diversity into strength, we are continuously promoting diversity and inclusion. Furthermore, we are working to enhance employees' sense of fulfillment and job satisfaction while endeavoring to improve their well-being through various initiatives, including health management.

Moving forward, we will further strengthen our investment in human capital in an effort to **maximize customer asset value**, our Basic Group Management Policy. At the same time, we will work diligently to enhance corporate value over the medium to long term while fostering a culture that supports the challenges and growth of each and every employee.

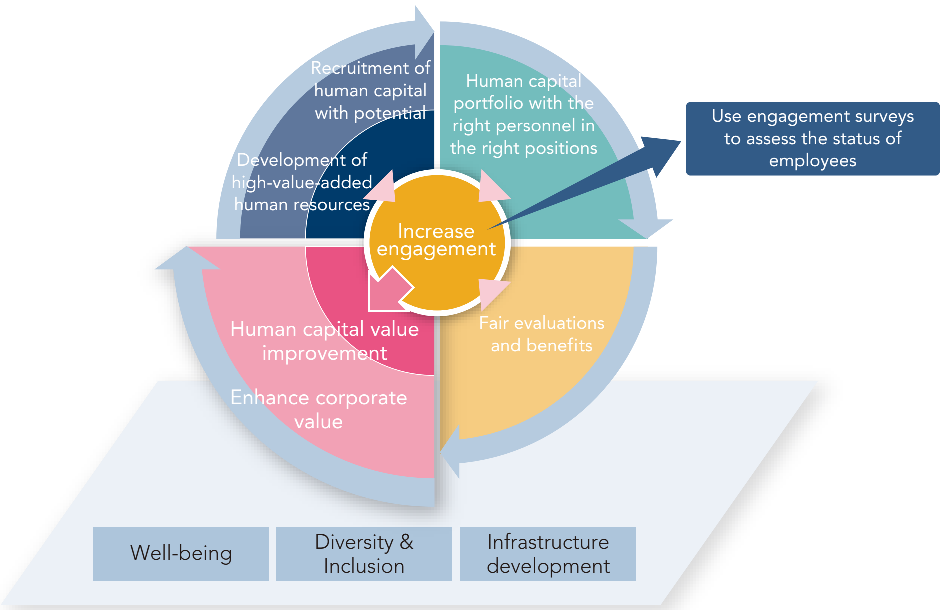
Hiromasa Kawashima
Executive Managing Director
Deputy Head of Corporate Planning
Head of Human Resources
Chief Health Officer (CHO)
Head of Sustainability
Head of Financial Education
Daiwa Securities Group Inc.

Approach to human capital management

The Group places **maximizing customer asset value** at the core of its management and is committed to securing sustainable growth while enhancing corporate value over the medium to long term through the advancement of total asset consulting and the provision of high-value-added solutions. True to this commitment, we position human resources as the source of our competitiveness and the foundation for realizing our management strategy, and accordingly promote our HR strategy in tandem with our management strategy.

Under our HR strategy, we have identified hiring, training, our human capital portfolio, and evaluation and compensation as key areas of focus. While continuously evolving and deepening our systematic investment in and management of human capital, energies are being directed toward securing top talent, developing highly specialized professionals, building an HR portfolio that maximizes talent value, and putting in place appropriate evaluation and compensation systems. Through these means, we are endeavoring to enhance each employee's ability to generate added value and foster behavioral change.

Each of these areas of focus is also inextricably linked to employee engagement. Based on the belief that employees' proactive growth and high engagement lead to improved business performance and productivity, we identified sustainable engagement as a KPI under our HR strategy and are engaging in continuous monitoring and improvement.



Human Capital

Recruiting high-potential talent

From a management strategy perspective, we view hiring as an important measure that contributes to the Group's sustainable growth and enhanced corporate value. As such, we engage in hiring activities tailored to the characteristics of each Group company.

At Daiwa Securities, for the year-round recruitment of new graduates, we assess applicants' values and behavioral traits based on the personal histories submitted by each applicant. Drawing from this, we then proceed with the selection process from multiple perspectives, including those of department and division managers. By selecting candidates with an eye toward their future career paths, we get an early start on helping applicants realize their full potential after joining the company. In addition, we introduced the Job Supporter System, which allows applicants to select employees from various departments and divisions to interview. By deepening their understanding of these employees' mindsets and approach toward work, the workplace atmosphere, and potential career paths, we are taking positive steps to minimize mismatches after they join the company.

In addition, we introduced the Expert Course, a human resources system that evaluates talent capable of applying high levels of expertise, such as advanced mathematical abilities and IT skills, to business operations, which in turn helps strengthen our recruitment of high-potential talent.

Moreover, we are actively promoting the recruitment of mid-career talent with diverse backgrounds and knowledge. In FY2025, 26.9% of the 766 annual hires were recruited as mid-career talent. To create an environment in which new hires can settle in and quickly thrive while making the most of their diversity, we implement such onboarding initiatives as induction ceremonies, a mentoring program, the establishment of communication channels, and social gatherings involving senior management.

P31 Employee comment (Daiwa PI Partners)

Developing high-value human capital

To support employee development, in addition to educational and training programs that leverage our accumulated insights and know-how, we are strengthening efforts to put in place an environment where employees can take the initiative in identifying the skills necessary for improving their performance and shaping their career, and continue to learn.

Daiwa Securities introduced an online video learning platform that provides individually optimized learning opportunities tailored to all employees, enabling them to select and acquire the knowledge and skills they need from a range of business courses, including those on management and data analysis. In addition, to address increasingly sophisticated and diverse customer needs and to deliver high-value-added solutions, we provide support for employees to obtain such qualifications as CFP and Certified Member Analyst (CMA). As of the end of March 2026, the number of Daiwa Securities employees holding the CFP certification was the highest among financial institutions in Japan. Furthermore, through the Daiwa Digital College, which is open to all employees, we are working to develop digital talent capable of actively utilizing digital technologies, including generative AI.

As part of our investment in human capital to develop talent with the high level of expertise necessary to **maximize customer asset value**, we have increased our per-employee investment in training by more than 25% compared with FY2020.

A human capital portfolio with the right people in the right places

In order for each employee to make the most of his or her individuality and strengths and perform at a high level, it is essential for that employee to take the initiative in shaping his or her own career and to take the necessary action.

To support employees in shaping their own careers, we have introduced a self-reporting system that allows them to share their career aspirations, strengths, and challenges with supervisors through 1-on-1 meetings. This self-reporting system is also a means to directly convey their preferences regarding career paths and work environments to human resources departments. We have also put in place an intra-Group open recruitment system that enables employees to voluntarily apply for diverse roles within the Group and secure transfers. By encouraging employees to take the initiative in pursuing new challenges, we are working to ensure the right people are placed in the right roles.

In addition, we utilize a human capital management (HCM) system that visualizes employees' aspirations and skill levels in real time. By accumulating and passing on information updated during 1-on-1 meetings for each employee, we ensure consistent career support and development even after a transfer.

Through each of these initiatives, we are building an optimal human capital portfolio by supporting the career development of our people, the wellspring of our competitiveness, and strategically utilizing the accumulated human capital information.

Fair evaluation and compensation

Daiwa Securities Group is working to put in place an evaluation and compensation system that encourages all employees, regardless of their year of employment, to strive for higher levels of achievement and positions of greater responsibility.

As far as evaluations are concerned, we conduct comprehensive assessments that take into consideration both quantitative and qualitative factors, while also scrutinizing the validity of evaluations from multiple perspectives. At the same time, we view evaluation feedback itself as a crucial opportunity to foster the growth of our human resources, and are committed to implementing an evaluation system in which employees can feel satisfied.

Turning to the issue of compensation, which is necessarily a key component of our investment in human capital, we have adopted a Pay for Performance approach. We continually explore appropriate levels and allocations based on results and achievements, maintain a competitive compensation system, and conduct annual reviews to ensure that compensation aligns with performance. We have raised salary levels for five

Human Capital

consecutive years since FY2022, with a cumulative increase of over 25% over the past five years. To strengthen our competitiveness in attracting talent, we have raised compensation levels, particularly for employees who make a significant contribution to the Group. We are also ensuring a comprehensive compensation system for senior employees after re-employment, based on their expertise and performance. As an additional initiative, we introduced a special incentive contribution program through the Group Employee Stock Ownership Plan from FY2026. By further raising employee awareness toward the links between stock price appreciation and corporate value enhancement, we are working to further increase corporate value.

Improvement in engagement

Engagement survey implementation

The Group regularly conducts anonymous engagement surveys with the aim of achieving sustainable business growth and enhancing corporate value over the medium to long term. The survey measures the level of sustainable engagement* and its 15 engagement categories. Through each survey, we analyze the results from multiple perspectives through comparisons with external benchmarks and analyses by employee demographic attributes. Furthermore, we have established sustainable engagement, whose correlation with future business performance has been verified, as a Group KPI. In the FY2025 survey, the sustainable engagement score rose by 3 points compared with the previous fiscal year, and the score for digital transformation initiatives, one of the Group's key challenges, increased by 6 points. We believe this was driven by the progress of our digital strategy, including the Group-wide rollout of Microsoft 365 Copilot, in line with our Group strategy to pursue digital innovation.

For details on these initiatives, see page 56, Digital Strategy.

* Sustainable engagement refers to a high level of willingness to contribute toward achieving goals as well as a strong sense of belonging to the organization, which is maintained through a productive work environment, physical and mental health and other factors. Willis Towers Watson states that companies with high scores tend in the future to show performance growth exceeding the average growth rate for the industry to which those companies belong. Note that the Group's KPI is calculated as the average percentage of positive responses across all questions in this component.

Daiwa Securities Group engagement score

(%)

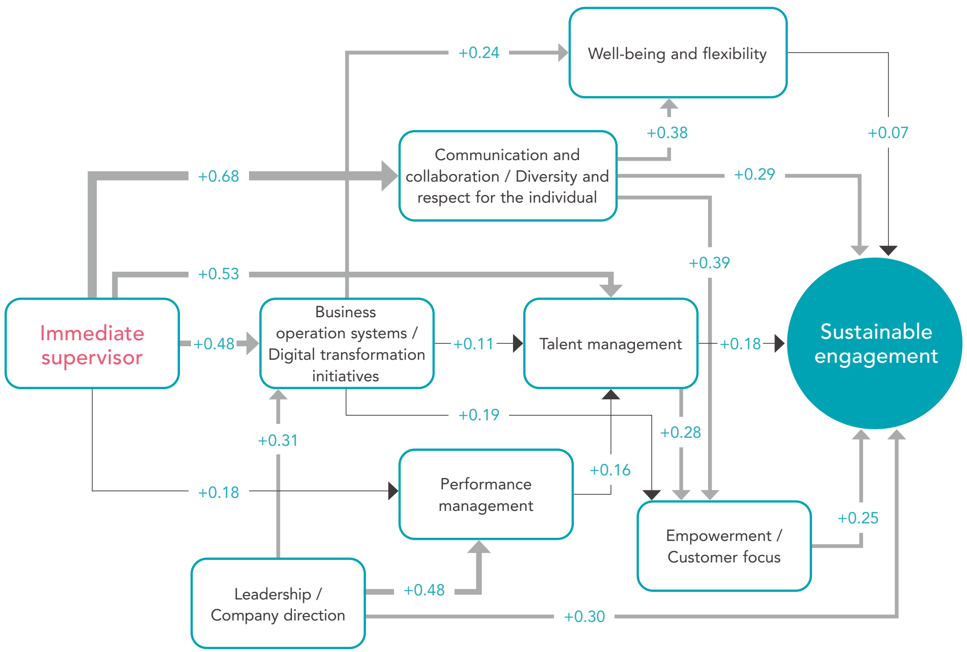
Category name	FY2021	FY2022	FY2023	FY2024	FY2025	Target value (FY2026)
Sustainable engagement	— (81)	79 (81)	80 (83)	81 (82)	84 (85)	80 or higher
Digital transformation initiatives	— (65)	67 (68)	69 (69)	71 (71)	77 (78)	—

Note: Figures in parentheses indicate Daiwa Securities' score.

Causal structure of engagement scores

Based on the results of the engagement survey, we analyze the relationships among factors that impact employee engagement. In specific terms, we developed a causal structure model by category using such theoretical frameworks as the Job Demands–Resources (JD-R) model and questions from the engagement survey, and visualized the strength of these causal relationships. The data shown in the diagram below indicate the degree of influence each factor has on other factors with a higher number indicating a stronger influence. Based on the causal structure model, we identify high-priority issues for each organization to improve sustainable engagement scores and use these findings to formulate measures aimed at improvement. At Daiwa Securities, the results showed that the immediate supervisor category had the greatest influence. Based on these results, to improve organizational performance, we are comprehensively promoting initiatives that range from manager competency development to behavioral change, implementation, and systemic support.

Causal structure model



Notes: 1. Path coefficient: 0.5 or higher indicates a very strong impact; 0.3–0.5 indicates a strong impact; 0.1–0.3 indicates a weak impact; and less than 0.1 indicates almost no impact.
2. The causal structure analysis of the engagement score was conducted in collaboration with MCD3 Inc.

Human Capital

Support for managers

Development of management skills and knowledge
- Content tailored to specific target groups (new managers, female managers, etc.)
- 1-on-1 meeting workshops
- Online learning service: Udemy Business
- Guidebook on general management operations

Communication support
- Bonus feedback guidelines

Self-reflection support
- Multifaceted evaluation
- Assessment Programs

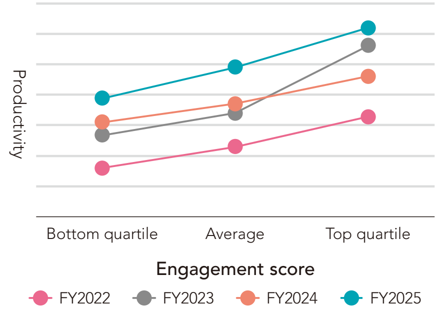
Infrastructure development
- System for recording and tracking 1-on-1 meetings
- Pulse surveys that provide timely insights into employee well-being

Analysis of the correlation between engagement scores and financial metrics

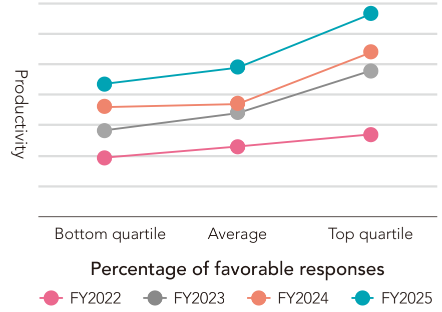
Daiwa Securities Group analyzes the correlation between engagement survey results and financial metrics. In addition to sustainable engagement, which has been set as a Group KPI, we confirmed that the scores of approximately half of the 15 categories have a statistically significant correlation with productivity (revenue per working hour). In particular, when comparing segments by their scores for sustainable engagement and digital transformation initiatives, we observed indications that segments with higher scores tended to have higher productivity. Based on these analysis results, we are engaging in such activities as the development of digital talent, the promotion of data use, and the more fundamental use of AI to transform business processes. By continuing these initiatives, we are working to improve productivity year after year.

Correlation between engagement scores/category scores and productivity

Sustainable engagement



Digital transformation initiatives



Note: This data and analysis were provided by WTW, our survey partner. The numbers represent the percentage of employees who gave positive responses to questions in the sustainable engagement category or relevant survey questions, with the scores of each organization divided into quartiles.

Diversity & Inclusion

D&I initiatives: Transforming diversity into a strength

We position the promotion of Diversity & Inclusion (D&I) as a critical management priority. We believe that creating an environment in which a diverse workforce can realize their full potential while respecting one another's differences serves as the driving force behind sustainable growth and the enhancement of corporate value over the medium to long term. In particular, we view inclusion, which goes beyond simply promoting diversity in terms of such attributes as gender, age, disability, nationality, and LGBTQ+ identity, as a means through which to turn diversity into strength regardless of life stage. In this manner, we see diversity as a driver of new value creation, and are advancing inclusion endeavors in tandem with our HR strategy coupled with employee engagement initiatives.

D&I Promotion Committee

As chair of this Committee, the President and CEO leads discussions on a wide range of themes involved in D&I together with executives and employees from across the Group who are appointed as advisers depending on the topic under discussion. Committee meetings can also be observed online by all executives and employees. In light of the issues raised by the Committee, we are translating these discussions into concrete actions to enhance and expand various systems and initiatives.

Human Capital

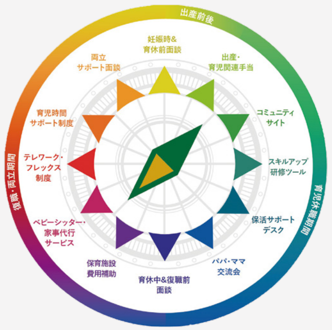
Gender diversity

We have been actively promoting the advancement of women in the workplace since 2005, more than 20 years ago. As of the end of FY2025, the ratio of female managers stood at 22.0%, achieving our sustainability KPI target of 20% or more (consolidated) by FY2026.

1 Job transfer system and career training

Having put in place a job transfer system through which employees can broaden their career opportunities, since 2009 more than 1,200 employees have moved from clerical positions to career-track positions. In addition, we conduct the Daiwa Women's Forum, a multi-tiered career training program designed to support the promotion of women to managerial positions and the development of future executive candidates.

あなたがもっと輝けるほうへ
ダイワのCOMPASS



2 COMPASS: Return-to-work support program

Daiwa Securities Group introduced COMPASS, a new program designed to support a smooth return to work after taking childcare leave in FY2025. By alleviating anxieties and bridging gaps before and after returning to work, and by providing support from both the skills and mindset perspectives, we are facilitating a seamless continuation of careers and helping employees continue and further develop their careers.

3 Encouraging the taking of childcare leave among male employees

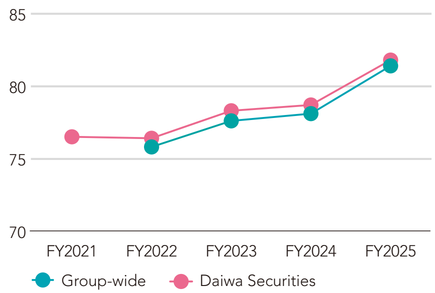
With respect to childcare leave among male employees, we are encouraging meaningful participation in childcare by extending the number of available days. In this regard, the Group has guaranteed a maximum of four weeks of wages for both childcare leave at birth and for childcare support leave since FY2022. As a general rule, we also require employees to take at least two weeks of leave. In FY2025, the average number of childcare leave days taken by male employees was 34.8 days, exceeding one month.

Sustainable engagement from a D&I perspective

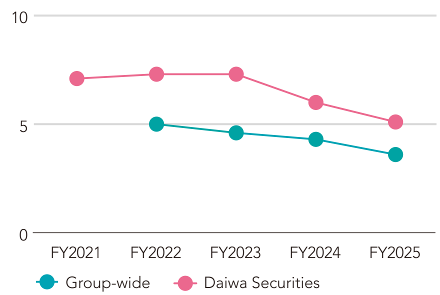
Women's engagement scores tend to be relatively lower compared with the overall average. With this in mind, we have positioned improving women's engagement as one of the key areas for further improving organizational performance. As a result of continuously implementing various initiatives related to gender diversity, women's scores have shown a gradual improvement, and the gap between men's and women's scores is narrowing.

Please also refer to Improvement in engagement on page 51 for more information on sustainable engagement.

Female employee scores (sustainable engagement)



Gender score difference (sustainable engagement)



Collaboration with employees

Guided by our Corporate Principle of placing importance on personnel, the Group has fostered a corporate culture where colleagues support and inspire one another. Under this culture, we have implemented employee-centered HR policies and systems, flexible work-styles, and comprehensive benefits. To clearly communicate our vision and aspirations to each and every employee, we began publishing the Daiwa Human Capital Report in 2026. This report highlights the benefits of various programs, including the special incentive contribution program through the Group Employee Stock Ownership Plan, the student loan repayment support system, and the comprehensive support provided by the Health Insurance Society, and outlines details through interviews with employees who have actually used these programs. This helps employees better understand how the programs can be utilized in practice and the benefits they provide, thereby promoting greater awareness and acceptance.

In addition, we introduced the D-Link application in July 2026 as a bridge, helping employees remain connected to the Group even while away from the workplace. With the introduction of this app, employees on leave, such as for the birth of a child, childcare, or caregiving, or on secondment, can easily access the necessary procedures and available HR programs when life events occur, even if they do not have a company-issued device.

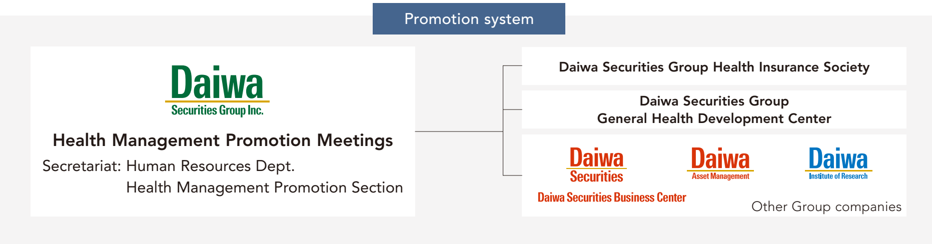
Looking ahead, we will upgrade and expand initiatives that allow all employees to excel by strengthening collaboration.

Human Capital

Improved well-being

Health management promotion system

We have appointed the Head of Human Resources as Chief Health Officer (CHO), and Group company executives are also actively involved in promoting health management. Every year, we prepare a White Book on Health that analyzes the health status of all Group executives and employees and regularly hold a Group-wide Health Management Promotion Meeting hosted by the CHO to identify issues, evaluate initiatives, and make improvements, using the PDCA cycle for health management. In FY2025, we implemented various initiatives, including measures for women's health. In March 2026, Daiwa Securities Group was selected as a KENKO Investment for Health Stock, a designation awarded by Japan's Ministry of Economy, Trade and Industry (METI) in cooperation with the Tokyo Stock Exchange to recognize publicly listed companies that take a strategic approach to employee health from a managerial perspective. This marks the 11th time Daiwa Securities Group has been selected, since this initiative began in 2015.



Targets

To improve the two KPIs that serve as indicators of the effectiveness of health management and to boost productivity, we engage in a variety of measures, including the initiatives listed as follows.

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Target (FY2030)
Presenteeism loss percentage*1	17.0%	15.2%	12.6%	13.9%	14.5%	14.5%	Less than 10.0%
Absenteeism average*2	3.4 days	3.4 days	3.1 days	3.9 days	4.0 days	3.8 days	3.0 days or less

*1 A condition in which a person goes to work with some illness or symptom that reduces his or her ability to perform work and productivity. Calculated by conducting a questionnaire that evaluates one's own work for the past four weeks, taking as 100% the work performance that can be demonstrated in the absence of illness or injury. The smaller the number, the higher the productivity.

*2 Employees taking sick leave. Calculated by conducting a questionnaire that asks how many days one has missed from work due to one's own illness in the past year. The fewer the number of days, the higher the productivity.

Major initiatives

1 Addressing women's health issues

In the context of promoting women's advancement, we introduced the Daiwa ELLE Plan in 2018 to provide comprehensive support for women's health. As part of this initiative, we established ELLE leave to be taken for physical issues caused by menstruation and menopause and for infertility treatment, introduced measures to ensure employees can take time off for treatment, put in place an e-learning program to improve health literacy, and set up a consultation service. In addition, we began offering gynecological consultations by leveraging the online medical consultation system for use by Group employees from 2023. Furthermore, in 2024, we expanded our support by introducing an app-based tool to reduce the physical and mental stress associated with menstrual symptoms, as well as providing video content for employees created by specialists in gynecology and conducting gynecological screenings at key life stages. In FY2025, we implemented initiatives utilizing Femtech, such as a program using devices to directly alleviate menstrual pain and a menopause self-care app.

2 Providing online medical care

Since 2020, Daiwa Online Care* has been available to employees across Japan, providing online access to the medical office at our head office (general health development center). Since FY2022, the number of consultations has more than doubled compared with the first year of operation, exceeding 1,000 annually. In addition to regular consultations about internal medicine, for example, the service offers a wide range of healthcare, such as consultations on health checkup results, mental health, and clinics to help quit smoking. Employees are responsible for medical and prescription fees, while the Group covers shipping costs to ensure next-day delivery of medications, regardless of the employee's location.

* Daiwa Online Care medical specialists (medical care and consultation): Cardiology, respiratory medicine, gastroenterology, brain/neurology, nephrology/hypertension/diabetes, psychiatry, gynecology

3 Utilizing the well-being platform

To support employees' health and advance human capital management through the use of data science and AI, we initiated a trial of Hearbit, a well-being platform developed by our Group company Daiwa Institute of Research, in FY2025. We are creating an environment in which employees can use apps for diet, exercise, mental health, and more, all in one place and free of charge, allowing them to proactively improve their health while monitoring the risk of disease.

Human Capital

Health management strategy map

Health investment (measures)

Common to all fields
Regular health checkup / Daiwa Online Care (in-house online medical consultation service) / Hearbit (Health promotion apps)

Lifestyle
KA-RA-DA iki-iki PJ / Good Sleep Daiwa / Smoking cessation during working hours / Quit smoking challenge / Alcohol screening / Yellow paper system / Health guidance program

Younger generation
Fitness app Beatfit / Improve health education and health literacy among the younger generation

Women
Daiwa ELLE Plan+ (ELLE Leave, menopause, infertility treatment support, Femtech and gynecological care)

Cancer
Cancer screening (cervical and breast cancer, etc.) / Employment support plan for employees with cancer

Mental health
Mindfulness training / Stress check / Mental health consultation

Impact of health investments

❶ Indicators of initiative implementation
- Regular health checkup rate / Medical institution attendance rate for employees with problematic results
- Number of Daiwa Online Care users
- Number of e-learning viewers
- Number of health promotion event participants
- Number of sleep apnea screening test users
- Female cancer screening rate (cervical and breast cancer) / Number of employees taking ELLE leave, number of participants in Femtech initiatives
- Number of appearance support users
- Stress check participation rate

❷ Indicators of changes in employee awareness and behavior
- Smoking rate
- Regular exercise rate
- Moderate alcohol consumption rate
- Percentage of employees who get sufficient rest through sleep
- Regular dental examination rate
- Health app usage rate

❸ Final health-related target indicators
- Presenteeism loss percentage
- Absenteeism average
- Sustainable engagement
- Female ratio in managerial positions
- Number of employees who left their jobs
- Obesity rate / Prevalence rate
- Ratio of employees with high stress

Target year: FY2030 — KGI

- Presenteeism loss percentage: Less than **10.0%**
- Absenteeism average: **3.0 days** or less
- Sustainable engagement: **Enhancement**

Health management targets

By enhancing employees' well-being, we aim to achieve
- Increased employee productivity
- Greater engagement
- Empowering a diverse workforce

Health management promotion policy

Declaration on Health Management

We seek to raise productivity by enhancing employees' well-being and to sustain a high level of organizational performance.
To this end, we are undertaking strategic measures to promote health management.

Management policy

Corporate Principles

Placing importance on personnel

The source of the Group's competitiveness lies in the capabilities of its employees

Enhancing corporate value on a sustainable basis through human capital management

Employee health issues

- Lifestyle (employees with risk factors such as obesity and hypertension, smoking, diet, exercise and sleep)
- Younger generation health awareness and health literacy
- Health issues specific to women
- Early cancer detection, balancing work and treatment
- Prevention and early detection of mental health issues

Foundations supporting health management

Status of health management awareness	Systems and environment for implementing policies	Support and organizational assistance (POS), WSC, etc.
Analyzing the health status and adoption levels of all Group officers and employees via the White Book on Health	CHO (Head of Human Resources) / Quarterly Health Management Promotion Meeting / Safety and Health Committee (with employee union participation)	Three-party collaboration among the Human Resources Department, the General Health Development Centers, and the Health Insurance Society / Point incentives

— Fostering a Culture of Health —
(Top management commitment and group-wide adoption of health promotion)

Digital Strategy

Message from the CIO/CDO

As efforts toward promoting Japan as a leading asset management center, exemplified by the growing adoption of the new NISA system, gain momentum, financial institutions are facing increasingly strong demands for customer-oriented business conduct as well as the provision of products and services that serve their customers' best interests.

Daiwa Securities Group views such environmental shifts as medium- to long-term structural changes. Under the strategic theme of pursuing digital innovation, one of the key pillars of the Medium-Term Management Plan "Passion for the Best" 2026, we are advancing initiatives based on three pillars: transforming the business model for high-net-worth customers; transforming the business model for asset-building customers; and digital innovation.

In FY2026, the final fiscal year of our current Medium-Term Management Plan, we will work diligently to complete the goals set out under our Digital Strategy and enter a phase in which we will turn the results of our digital investments over the past three years into a full-fledged expansion of business profits. To achieve these aims, the Group is actively investing in and deploying AI technologies. AI serves as a foundation for providing higher quality services to a broader range of customers by blending the strengths of both online and face-to-face interaction to meet increasingly diverse advisory needs.

Furthermore, we are advancing business reforms that are designed to create more time to engage with customers. By visualizing the work of sales personnel and improving efficiency through advanced technologies, we are enabling higher quality proposals, deeper trust-based relationships, and the maximization of asset value. To handle the significant increase in inquiries from customers newly interested in asset-building, we have also introduced automated responses via AI operators for routine administrative procedures and stock price inquiries. We have thus put in place a framework that enables operators to focus on more complex consultations and high-value-added services.

In addition to so-called offensive investments, defensive investments in resilience and security are also a key pillar. We are strengthening our systems to protect customer assets and information through the introduction of passkey authentication as well as by increasing the sophistication of our cybersecurity framework and reinforcing our data infrastructure in light of the risk from natural disasters. Due to the progress being made in advanced technologies such as generative AI, cyberattacks and information security risks in particular are becoming increasingly diverse and more sophisticated. The Group has designated this as one of its top risks. Accordingly, we have strengthened our governance framework by establishing a dedicated department and appointed a Group Chief Information Security Officer (CISO). It is my belief that balancing growth investments with risk management is the prerequisite for sustainable growth and the enhancement of corporate value.

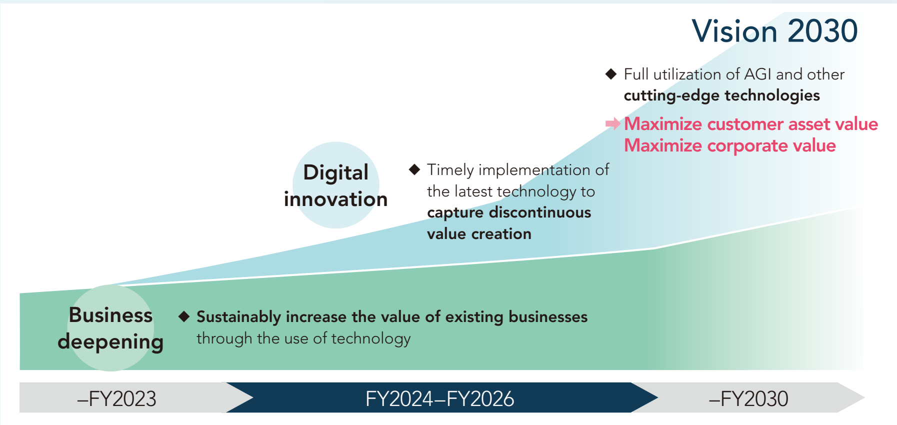
P92 Systems Risk Management

As CDO, with responsibility for data management, I have placed a high priority on enhancing our data governance. Based on the premise of full-scale AI utilization, we are putting in place a governance environment, including the redesign of data structures and a review of access privileges, to ensure that AI handles data safely and appropriately, thereby creating the foundation to protect customer information.

The driving force behind these initiatives is human resources. The very talent that combines the ability to create new value with the capacity to utilize AI safely and appropriately while steadfastly upholding customer trust represents our greatest resource that underpins our Digital Strategy. We will evolve into an organization where people and AI co-create value by developing highly skilled digital talent and enhancing the digital literacy of all our employees.

To realize its Vision 2030, the Group is steadily translating the results of its digital investments into customer value and will further accelerate business transformation through AX and DX under its next Medium-Term Management Plan. Through digital innovation we will strengthen the virtuous cycle of **maximizing customer asset value** and enhancing corporate value while remaining a trusted securities group committed to sustainable growth.

Image of improving the value provided to society through Digital Strategies



Masahiro Murase
Executive Managing Director
CIO and CDO
Daiwa Securities Group Inc.

Evolution of Our AI Initiatives

Since the early adoption of ChatGPT in 2023, Daiwa Securities Group has accelerated its AI initiatives. Starting with the industry's first voice-based AI Operator Service, we have been quick to leverage AI in customer service and sales activities. AI is moving beyond an experimentation stage and entering a phase of delivering concrete business results. By integrating AI into our business operations and steadily building intellectual property and expertise within Daiwa Institute of Research (DIR), we will expand the value we provide to a broader range of customers through enterprise services.

Evolution of AI utilization

- **November 2018** Rollout of an AI-based business matching service
- **April 2023** Firm-wide rollout of ChatGPT at Daiwa Securities
- **June 2023** Publication of Daiwa Securities Group AI Governance Mission Statement
- **April 2024** Rollout of AI avatar KOTO by Fintertech
- **October 2024** Rollout of AI Operator Service by Daiwa Securities
- **January 2025** Introduction of an automated recording system for customer interactions
- **April 2025** Rollout of the Daiwa Lens investment education app
- **June 2025** Rollout of Daiwa Securities Generative AI Chat
- **July 2025** Execution of a strategic framework agreement with Microsoft Japan

AI Adoption Phase

April 2023

Firm-wide rollout of ChatGPT at Daiwa Securities

- ◆ Firm-wide rollout of ChatGPT at Daiwa Securities, a first among major financial institutions

June 2023

Publication of Daiwa Securities Group AI Governance Mission Statement

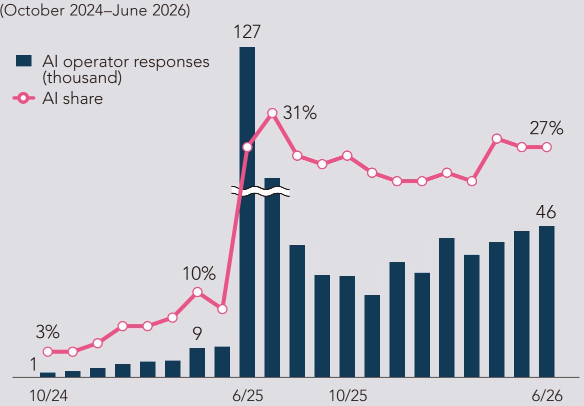
- ◆ June 2023, Publication of Daiwa Securities Group AI Governance Mission Statement, an industry first
- ◆ Establishment of the Group AI Governance Committee in tandem

October 2024

Rollout of AI Operator Service by Daiwa Securities

- ◆ A first-of-its-kind for a major domestic financial institution, this is a voice-based, conversation-type service that can accommodate a broad array of inquiries, from market information to administrative procedures
- ◆ Able to accommodate the increasing volume of inquiries by dividing roles between contact center and AI operators in preparation for the phased transition to mandatory passkey use from April 2026

Trends in AI operator call volume and AI share
(October 2024–June 2026)



January 2025

Introduction of an automated recording system for customer interactions

- ◆ Introduction of a system that automatically summarizes and records conversations during customer meetings

Time saved	Content enrichment
Reduction in data entry time **−51%**	Character count **+311%**
Increased focus on activities designed to improve customer satisfaction	Enhancement of customer peace of mind

July 2025

Execution of a strategic framework agreement with Microsoft Japan

- ◆ A multi-year strategic framework to boost employee productivity and greatly enhance the value we offer customers through AI agents

Daiwa Securities Group — Microsoft Japan

1. Creation of next-generation wealth management experiences
2. Employee empowerment through the use of technology
3. Construction of an advanced and reliable digital platform

June 2025

Rollout of Daiwa Securities Generative AI Chat

- ◆ Flexibly understand a variety of customer inquiries and provide easy-to-understand, comprehensive explanations using diagrams
- ◆ Rollout of the DAIWA LIFEPLAN Generative AI Chat service to customers using workplace services (March 2026)

Screenshot of the DAIWA LIFEPLAN Generative AI Chat service

Digital Strategy

- **July 2025** Firm-wide rollout of Microsoft 365 Copilot
- **July 2025** Start of joint development of a Document-review AI System by Daiwa AM and LegalOn Technologies
- **October 2025** Partnership agreement with Sakana AI
- **January 2026** Start of joint development of an Insider Information Detection AI System by Daiwa AM and LegalOn Technologies
- **March 2026** Rollout of the DAIWA LIFEPLAN Generative AI Chat service
- **March 2026** Patent granted for Smartrans, an autonomous verification-based AI migration tool by DIR
- **May 2026** Review of head office operations and commencement of AI integration
- **July 2026** Firm-wide rollout of Copilot Cowork
- **August 2026** Transition to the total asset consulting platform development phase with Sakana AI

AI Value Creation Phase

October 2025

Execution of a partnership agreement with Sakana AI

Daiwa Securities Group | Sakana AI

- Joint development of a dedicated AI platform for Daiwa Securities that underpins the ability to provide optimal proposals based on a deep understanding of each individual customer as well as the advancement of consulting services that take a holistic view of total assets

July 2026

Firm-wide rollout of Copilot Cowork

- Firm-wide rollout of delegation-type AI agent Copilot Cowork, officially released in July 2026
- Accelerate the integration of AI into operating processes

July 2025

Firm-wide rollout of Microsoft 365 Copilot

- Less than one year since its rollout, as of March 2026, 93% of license-holders have adopted Copilot in their work

March 2026

Patent granted for Smartrans, an autonomous verification-based AI migration tool by DIR

- Patent granted for autonomous verification technology for the manufacturing and testing processes of system replacement projects
- Start of efforts to enhance the development efficiency of system replacement projects using Smartrans by Daiwa Securities

AI initiatives by the numbers (as of March 31, 2026)

AI operator responses	Microsoft 365 Copilot active user rate	Number of new digital services launched	Number of AI implementations	Engagement Survey Score: Digital transformation initiatives
37,000 /month AI share: 23%	93%	14	96	77.0 Compared with 2023 +8.2

Accumulating intellectual property / Contributing to industry and society

The fact that DIR is a wholly owned subsidiary of the Group is a unique strength that enables us to accumulate intellectual property and know-how within the Group. Moving forward, we will provide value to an even greater number of customers by offering solutions refined within the Group as enterprise services through DIR.

Pioneering the use of AI	Transition to enterprise services by DIR
AI Operator Service	Call center AI solutions **Daiwa AI Operator**
AI support for shareholders' meetings	IR solutions **Daiwa IR Connect**
Automated customer response recording system	Face-to-face meeting minutes solutions **Daiwa Speech Assistant**
Efforts to enhance the development efficiency of system replacement projects	Autonomous verification-based AI migration tool **Smartrans**
Daiwa Securities Generative AI Chat	AI chat solutions **Daiwa AI Chat**

Digital Strategy

Strategy 1 Transforming the business model for high-net-worth customers

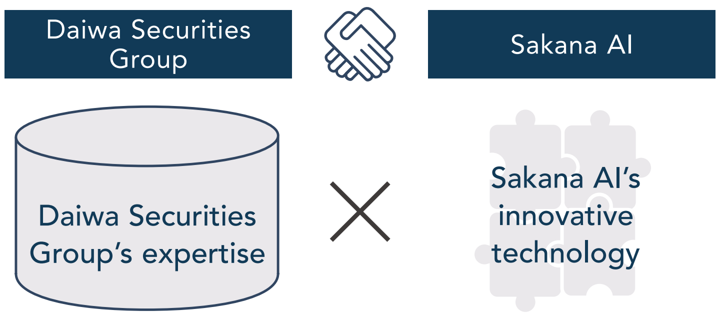
In order to **maximize customer asset value**, we are advancing the development of a total asset consulting platform to accurately capture and analyze each customer's total assets and profile information and deliver high-quality, optimal proposals.

Through our long-term partnership with Sakana AI, we are jointly developing a platform designed exclusively for Daiwa Securities specializing in personalized asset management proposals for customers while leveraging proprietary models. By comprehensively capturing and analyzing customers' total assets, including both financial and non-financial assets, we aim to deliver an unprecedented level of personalized, high-quality financial services tailored to each individual customer.

In working to enhance our proposal capabilities by leveraging these digital technologies, we are advancing our Digital Strategy, consistently adopted since our previous Medium-Term Management Plan, that is geared toward both enhancing the Group's profitability and **maximizing customer asset value**.

Joint development with Sakana AI of a total asset consulting platform

Joint development of a dedicated AI platform for Daiwa Securities that underpins the ability to provide optimal proposals based on a deep understanding of each individual customer as well as the advancement of consulting services that take a holistic view of total assets.



Strategy 2 Transforming the business model for asset-building customers

With the launch of the new NISA system, the number of customers interested in building assets has increased. In 2024, the Group introduced an AI-based response service to promptly handle inquiries from a larger number of customers. The usage rate of the AI operator service reached 23%*, significantly exceeding the initial target of 15%, and the generative AI chatbot handling inquiries on the Daiwa Securities website has achieved an average inquiry resolution rate of 87%. In the years ahead, we will continue to enhance and refine our AI service features to further improve customer convenience.

As we are anticipating increased utilization of Daiwa Securities' online trading services, we are undertaking a redesign of our trading screens and enhancing their functionality to improve customer convenience. In April 2025, we also launched D-Port, a smartphone app designed to support asset management and investment. D-Port is a platform that enables customers, regardless of whether or not they have a Daiwa Securities account, to seamlessly access services provided by Group companies and partners tailored to each customer's profile and life stage. We are providing a convenient, personalized experience through features such as biometric login and AI-driven recommendations for optimal information and services. Furthermore, by introducing passkey authentication, we have strengthened security and created an environment that ensures safe, secure, and convenient user experiences. Going forward, we will continue to promote the provision of more personalized, practical services, such as enhanced asset management functions, expansion of linked asset options, and household budgeting features, by strengthening collaboration with our partners and continuously enhancing other features.

* Number of AI interactions / (Number of AI interactions + Number of contact center interactions), as of March 31, 2026

Digital Strategy

Strategy 3 Digital innovation

Daiwa Securities Group envisions a future in which AI becomes a colleague working alongside people; ultimately, we foresee a world in which people focus on tasks that only they can perform, while AI handles the rest. Under such a scenario, as AI takes over certain tasks, the value that only people can provide, such as face-to-face communication, will become even more prominent.

With this future vision in mind, we are driving the Group-wide utilization of Microsoft Copilot and AI agents based on our strategic partnership with Microsoft Japan. The penetration rate of Copilot among employees has reached 93%, and a culture of routinely utilizing AI in daily tasks has taken root. Going forward, we will deepen the use of AI across our business and enhance the efficiency and effectiveness of headquarters functions through the deployment and implementation of AI agent infrastructure on a Group-wide basis as we work to build a management foundation that supports sustainable business expansion.

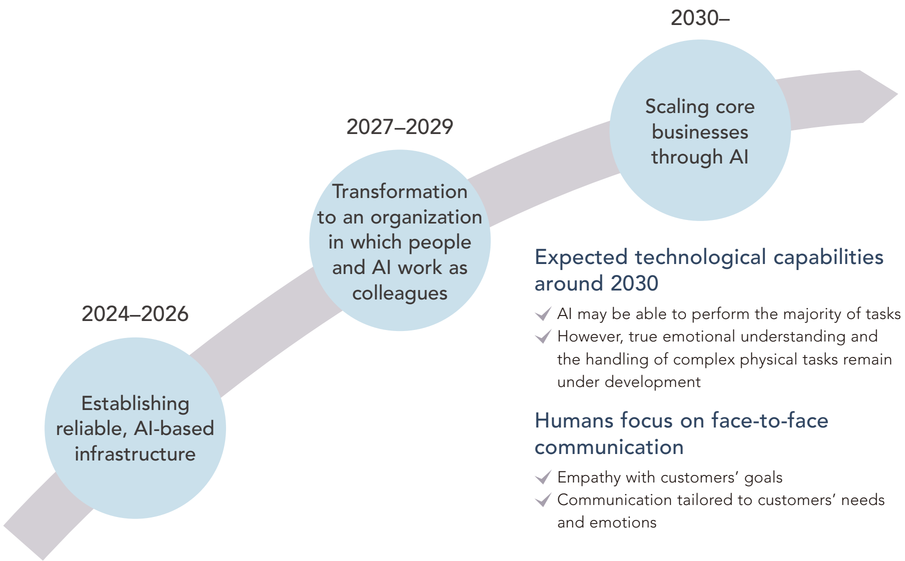
As our customers' asset management needs become increasingly diverse and sophisticated, the Group has positioned blockchain as one of the opportunities for medium- to long-term growth and is also working to create new value with blockchain technology.

In the business of security tokens (STs), Daiwa Securities has underwritten large-scale projects, such as a luxury hotel development in Osaka and an office complex in Shiodome, securing the largest market share (as of May 31, 2026) in Japan for the cumulative underwriting of real estate STs. Additionally, in November 2025 we began offering real estate STs through our online trading platform. In the crypto asset field, we are expanding our range of services, as exemplified by launching the referral of Fintertech's crypto asset-backed loans at all Daiwa Securities branches starting in October 2025.

Looking ahead to the future of financial systems, and in anticipation of an era defined by AI, blockchain, and quantum computing, we are examining next-generation financial infrastructure and security foundations through a number of initiatives. These include proof-of-concept trials using stablecoins and tokenized deposits for ST settlement, participation in the Bank of Japan's central bank digital currency (CBDC) initiative, and proof-of-concept testing for post-quantum cryptography (PQC).

Through these initiatives, the Group will contribute to the sound development of financial markets and the enhancement of corporate value over the medium to long term. In the years to come, with an eye on the new possibilities arising from the convergence of AI and blockchain, we will continue to lead the way in shaping the future of finance.

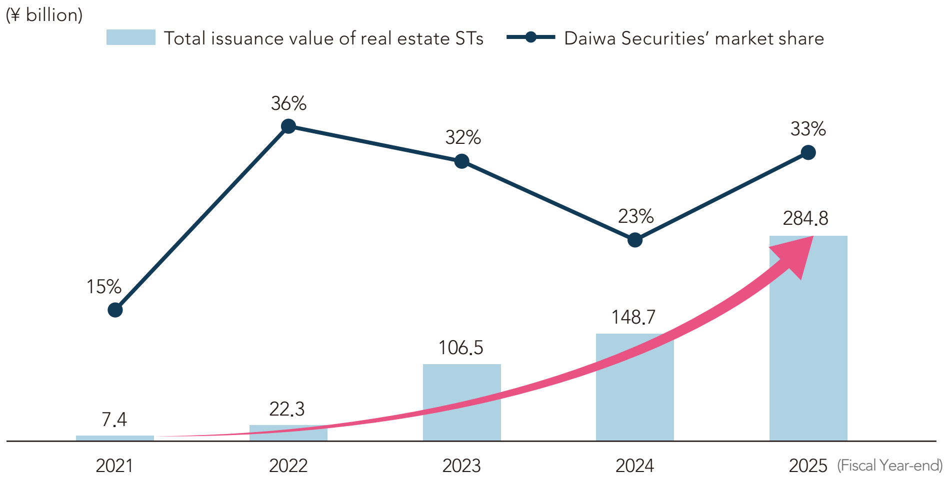
AX roadmap



Expected technological capabilities around 2030
- AI may be able to perform the majority of tasks
- However, true emotional understanding and the handling of complex physical tasks remain under development

Humans focus on face-to-face communication
- Empathy with customers' goals
- Communication tailored to customers' needs and emotions

Cumulative issuance value of real estate STs



Digital Strategy

Human resources development

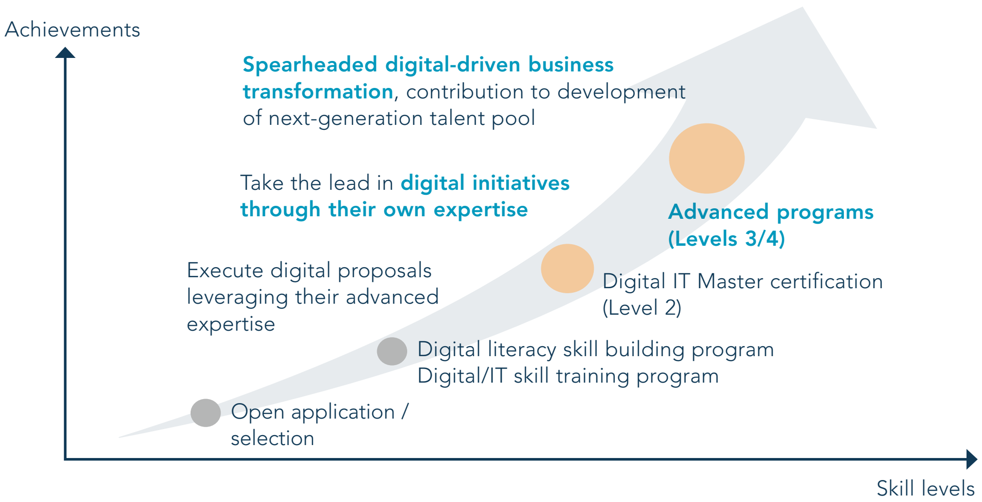
We are continuously reinforcing the development of human resources to support the realization of our Digital Strategy. Under the Digital IT Master certification system, which was introduced in 2019, the number of certified individuals at Level 2 or higher has reached 200. These trained digital specialists return to the business frontlines, where they exercise leadership, drive digital transformation (DX) within their respective departments, and deliver tangible results.

In conjunction with the Group-wide rollout of Microsoft Copilot, we have established Copilot Square, a community where employees voluntarily acquire and share know-how on developing AI agents, thereby fostering a culture of AI utilization driven by the workforce itself. At Daiwa Digital College, which aims to enhance the digital literacy of all employees, the curriculum also incorporates the latest themes, such as AI agents and AI governance, with the aim of ensuring that all employees become proficient in using AI.

IT organization

The Group has established a Group Digital Strategy Council as a CEO-chaired subcommittee of the Executive Management Committee. In addition to integrating traditional business strategies with the Digital Strategy and making decisions with respect to IT investment, individual business units report the progress and results of AI-driven business innovation directly to the CEO and engage in discussions. Through cross-functional discussions aimed at transforming our business model, we are integrating the business and IT divisions and accelerating the delivery of results.

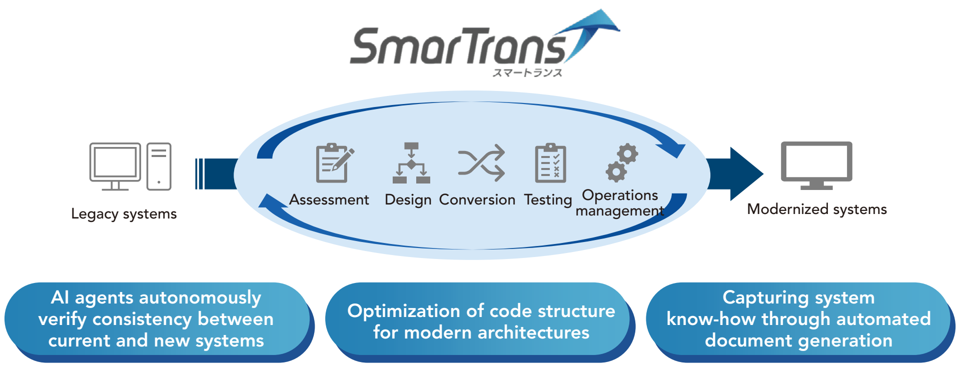
Overview of the Digital IT Master certification system



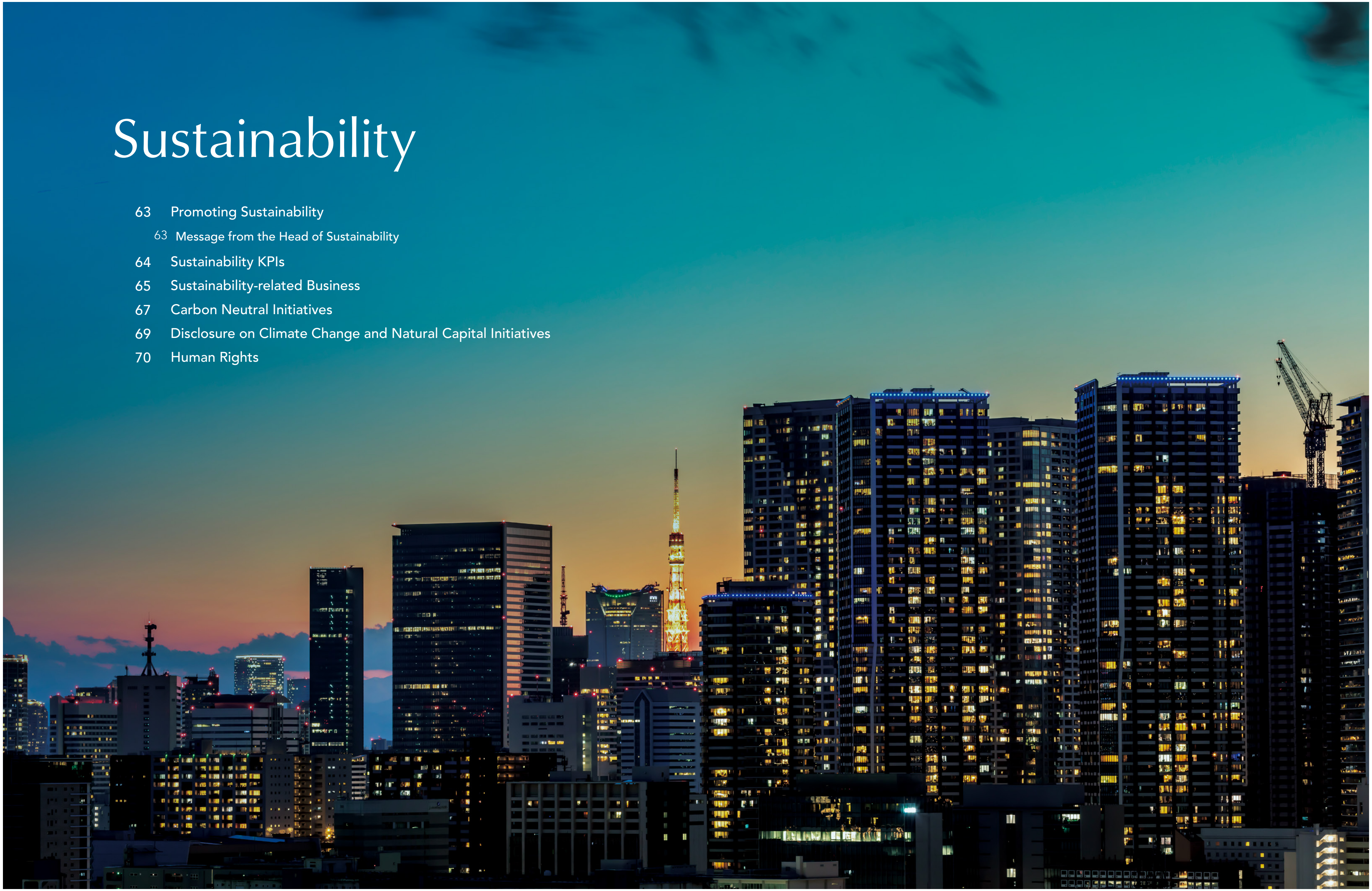
Our collaboration with Daiwa Institute of Research (DIR), which handles system development and operations for the Group, is one of the Group's strengths in driving digital initiatives. As a partner closely aligned with the direction and goals of our Digital Strategy, DIR is helping us accelerate our development activities and reduce costs through the use of generative AI. We will further strengthen the Group's innovation capabilities through a collaborative structure that enables us to respond quickly as one Group, from business requirements definition through development and operations.

The status of IT investment

When undertaking IT investments, we are putting in place mechanisms to continuously verify investment outcomes while working to improve the quality of investment decision-making and achieve disciplined IT governance. We manage IT investments by categorizing them into essential and strategic investments and applying a four-stage management process that considers return on investment; in doing so, we are increasing the proportion of investments allocated to initiatives that strengthen our competitive advantage. In addition, by actively utilizing Smartrans, a DIR-developed autonomous verification AI migration tool, we aim to streamline system development during system renewals and achieve a 30% improvement in efficiency by FY2028. Through the prioritization of investments and the monitoring of return on investment, we are ensuring disciplined IT investment management aligned with our corporate strategy.



ROI-based four-stage IT investment management	1 Business model transformation	2 Revamping of customer experience (CX)
	3 Enhanced efficiency and sophistication of operations	4 System upgrades, regulatory compliance, etc.



Sustainability

Promoting Sustainability

Message from the Head of Sustainability

Vision 2030: Creating a prosperous future through financial and capital markets

Addressing social issues, including climate change, is a key management priority for the Group. Recognizing that the flow of capital is essential for addressing social issues and transitioning to a circular economy, the role of financial and capital markets in supporting this flow is becoming increasingly important.

Against this backdrop, the Group has been working to promote sustainable finance, including transition finance, and to support customers' efforts to accumulate wealth with an eye toward the "100 years of life" era. We are also participating in the carbon credit business to contribute to the full-scale implementation of the Green Transformation Emissions Trading Scheme (GX-ETS) and the development of an institutional framework. Moreover, we are focusing on such issues as natural capital, biodiversity, and respect for human rights as a part of efforts to promote a wide range of sustainability initiatives, while aiming for net-zero greenhouse gas emissions from our own operations.

In Japan, the application of sustainability disclosure standards has begun. Rather than simply a means of providing information, we view disclosure as a vital opportunity for communication to deepen dialogue with all stakeholders.

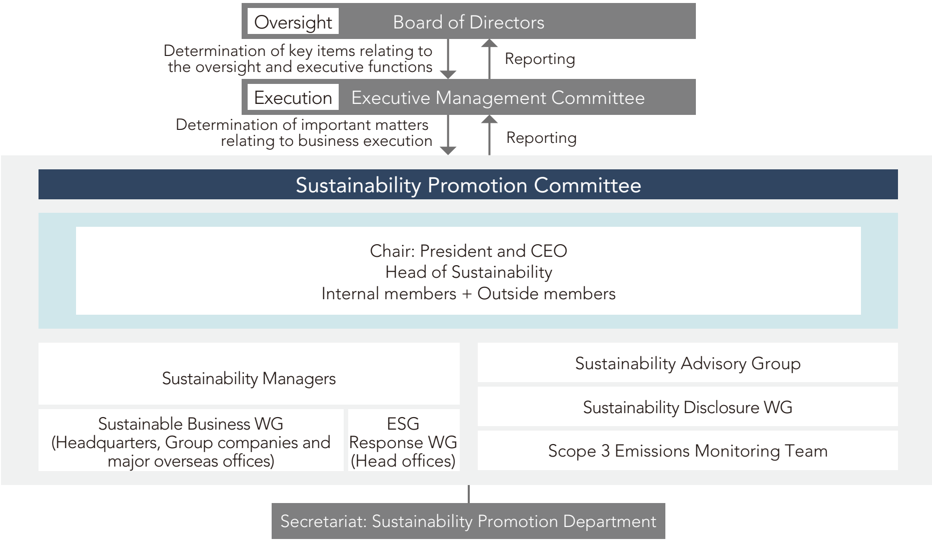
Although the environment surrounding sustainability continues to change, the Group's fundamental philosophy and the role to be played remain unchanged. Moving forward, the Group will place sustainability at the core of its management endeavors and work toward creating a prosperous future and enhancing corporate value.

Hiromasa Kawashima
Executive Managing Director
Deputy Head of Corporate Planning
Head of Human Resources
Chief Health Officer (CHO)
Head of Sustainability
Head of Financial Education
Daiwa Securities Group Inc.

Sustainability promotion structure

Sustainability-related strategies and policies are regularly discussed by the Sustainability Promotion Committee chaired by the President and CEO.

In addition, a Sustainability Manager is appointed in each division of Daiwa Securities and each major Group company to promote related business initiatives and manage KPI-related progress. Furthermore, the Group has established working groups to address diverse and evolving issues, and is endeavoring to strengthen collaboration and information sharing among Group companies.



Head of Sustainability
Promotes sustainability-related businesses for the entire Group, and oversees initiatives to enhance the foundation for sustainable management

Sustainability Managers
Promote sustainability-related businesses and conduct KPI progress management for each organization (Headquarters and Group companies) within the Group

Sustainable Business WG
Monitor the KPIs, ascertain the progress status of sustainability-related businesses, identify issues, and plan and implement measures for these issues under the direction of sustainability managers

ESG Response WG
Enhance and strengthen ESG response in reference to external evaluations (investors and evaluation organizations) regarding ESG

Sustainability Advisory Group
Composed of internal experts with extensive knowledge in sustainability who make proposals regarding challenges for the Group and future action

Sustainability Disclosure WG
Cross-departmental organizations that aim to expand the disclosure of sustainability information from the perspective of integrated reporting

Scope 3 Emissions Monitoring Team
Monitors emissions relating to the investment and loan portfolios, and sets targets

Sustainability KPIs

Materiality

- Diversity & Inclusion
- 100 years of life
- Innovation
- Green & Social
- Foundation of sustainable management

Sustainability KPIs	FY2026 target	FY2025 4Q	Purpose of setting (expected effect on business)
NISA-eligible public stock investment trusts balance (excluding ETFs)	¥4.6 trillion	¥4.8 trillion	Increase income by expanding targets to include new investors generated by the expansion of the NISA scheme
Number of customers who have purchased sustainability-related products	Continuously expand	62,399 accounts	Expand investor base by disseminating the meaning of sustainability investments among customers
Ranking of GX Transition Bond Primary Dealer Bids	In the top 3	1st	Expand the SDG bond market, diversify revenue opportunities, and improve reputation through our track record as a primary dealer
SDGs-related bond league table	In the top 2	1st	Increase profits by diversifying capital procurement methods such as SDG bonds
Sustainability-related investment balance	¥180 billion	¥153 billion	Increase income by investing in the renewable energy and infrastructure fields where stable investment returns can be expected
ESG investment balance	¥100 billion	¥209 billion	Improve reputation by participating in investments that contribute to solving social issues
Green building certification ratio (DOI/DLI/DLP)*1	65/20/25%	70.7/24.1/44.2%	Improve reputation with tenants and increase asset value
Number of value created digital projects*2 / digital project trials*3	10 projects/50 trials	5 projects/104 trials	Create value and increase productivity by transforming our business model and building new business models
Ratio of female managers (consolidated / Daiwa Securities)	20/25% or higher	22.0/24.9%	Improve productivity through business operations based on diverse opinions
Rate of childcare leave taken by male employees (consolidated / Daiwa Securities)	100/100% or higher	93.2/91.5%	Improve productivity through business operations based on diverse opinions
Engagement survey score (consolidated)	80% or higher	84%	Improve productivity by creating an environment that allows employees to exert their capabilities
Ratio of female directors on the Board (Daiwa Securities Group Inc.)	30% or higher	50%	Strengthen governance by incorporating diverse perspectives into management decisions
Greenhouse gas emissions (Our own*4 / investment portfolio*5)	Net zero / 186 to 255	2,270*6/230*7	Strengthen governance through climate change response and environmental management
Renewable energy switching rate for offices and data centers	100%	100%	Contribute to the realization of a carbon-neutral society by expanding renewable energy to data centers and offices
Number of people provided with financial and economic education	2.5 million*8	1.9 million*9	Contribute to medium- and long-term growth in investor population

Connection with corporate value improvement

- Increase income / Diversify profit opportunities; Improve reputation → Expand sustainable business
- Increase productivity; Enhance governance → Strengthen sustainable operating base
- Expand sustainable business; Strengthen sustainable operating base → Enhance corporate value

*1 DOI: Daiwa Office Investment Corporation, DLI: Daiwa Securities Living Investment Corporation, DLP: Daiwa Securities Logistics Private Investment Corporation *2 Projects that utilize new digital technologies and are either innovative or contribute to business transformation (Cumulative total for FY2024-FY2026) *3 Trials of DX projects and AI/Data Science projects (Cumulative total for FY2024-FY2026) *4 Total of Scope 1 and 2 (Unit: t-CO_2e) (FY2030) *5 The target is project finance for the power sector. (Unit: g-CO_2/kWh) (FY2030) Includes some estimated values. *6 Excluding emissions associated with the use of company vehicles. The total for Scope 1 and 2 is 3,657 t-CO_2e when included. *7 Result for FY2024 *8 Cumulative total for FY2005-FY2030 *9 Cumulative total for FY2005-FY2025

Sustainability-related Business

Promoting sustainable finance

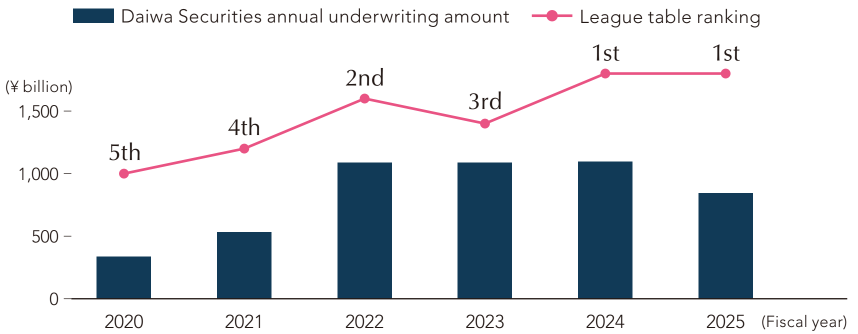
In the sustainable finance market, Daiwa Securities Group is using its long-standing experience and expertise in meeting customers' needs by delivering a wide range of solutions.

The Group has ranked first in the league table for lead-managed deals in the domestic SDGs-related bond* market for two consecutive years. We have continued to pioneer new market frontiers by handling numerous transactions, including Japan's first Orange Bond (issued by ITOCHU Corporation) and the country's first Green Bond to finance capital investment in and R&D on perovskite solar cells (issued by SEKISUI CHEMICAL CO., LTD.)

Our work in sustainable finance extends well beyond the support of individual projects. Our initiatives in this area also enhance the Group's corporate value as a whole. We remain deeply involved in helping customers address key management challenges, including ESG strategy planning, goal-setting, and disclosure. By offering long-term, hands-on support, we build strong, trust-based relationships, thereby helping to drive the Group's earnings base. Having accumulated expertise through extensive practical experience and the recruitment of external specialists, the Sustainability Solutions Department, a dedicated unit, primarily generates transactions of significant value in terms of innovation and impact by maintaining close communication with investors and issuers. To promote sustainable finance throughout the Group, we have also put in place a system for underwriting SDG bonds that enables the detection of greenwashing without relying solely on the expertise of specific departments or employees, as exemplified by the utilization of a generative AI-powered tool to assess green and social credentials.

* Bonds issued to tackle environmental and social issues as part of the issuer's sustainability strategy, including sustainability bonds.

Domestic SDGs-related bonds:
Daiwa Securities underwriting amounts and league table position



Investor interest in sustainable finance is becoming increasingly diverse and more sophisticated, with themes such as transition and resilience gaining importance both domestically and internationally. In FY2025, we provided support in line with Japanese transition finance trends to South Korea's Shinhan Bank as it became the first overseas issuer to launch a transition bond in the form of a Samurai bond. Our initiatives have earned external recognition, including receiving the Gold Award, the highest distinction, at the Ministry of the Environment's ESG Finance Awards Japan.

In the sustainable finance market, we will achieve sustainable growth by continuing to deliver innovative solutions that help address social challenges and enhance our clients' corporate value going forward.

2026 ESG FINANCE AWARDS JAPAN GOLD

P35 Employee comment (GIB)

Supporting wealth creation in the era of 100 years of life

Under Vision 2030, which incorporates sustainability perspectives, Daiwa Securities Group identifies the era of "100 years of life" as a component of its materiality and positions support for individuals' medium- to long-term asset building as a key initiative. In line with this Vision, Daiwa Asset Management is working to provide products and services that combine uniqueness and innovation to meet increasingly diverse and sophisticated investment needs.

In specific terms, these include products offering investment opportunities in high-growth global companies, as exemplified by the iFreeNEXT FANG+ Index. We are also strengthening the rollout of products geared toward long-term investment and efficient asset management, such as the iFreeHOLD and iFreeWallet series, thereby supporting asset building tailored to individual investment experience and risk tolerance.

As a result of these initiatives, the number of NISA-eligible funds grew to 146 by the end of FY2025 (an increase of 12 funds compared with the end of FY2024). The balance of publicly offered equity investment trusts (excluding ETFs) eligible for NISA stands at ¥4.8 trillion as of the end of FY2025 (an increase of ¥1.4 trillion compared with the end of FY2024), which is indicative of steady growth, and the balance of publicly offered investment trusts for individual investors continues to exhibit an expansionary trend.

Sustainability-related Business

Moreover, through constructive dialogue (engagement) with investee companies, we encourage them to address management issues and enhance information disclosure, including non-financial information, in an effort to simultaneously generate growth opportunities and mitigate risks. These initiatives help enhance the medium- to long-term corporate value of investee companies and lead to the generation of returns for beneficiaries through improved investment performance.

In addition, to accommodate the diversification of investment opportunities, we are also working to expand our lineup of products targeting investments in alternative assets.

As far as the provision of information is concerned, we are devising ways to enhance the delivery of timely and easy-to-understand information to investors through initiatives such as the launch of the official LINE account for iFree (Daiwa AM) and efforts to revamp our website.

Through this series of initiatives, we are working to broaden our individual investor base and encourage medium- to long-term accumulation of wealth. At the same time, we are strengthening our competitive position and expanding our AUM by ramping up efforts aimed at delivering products and strengthening information dissemination capabilities.

Looking ahead, we will continue to pursue sustainable growth and to enhance corporate value through the development of products that meet diverse needs and efforts to enhance the quality of our services.

P31 Employee comment (Daiwa AM)

Contributing to the development of the carbon credit market

In 2022, Japan's Ministry of Economy, Trade and Industry announced the GX League Basic Concept, while the Tokyo Stock Exchange launched the Carbon Credit Market in 2023. In addition to a steady increase in the number of market participants since its launch, the cumulative trading volume reached one million tonnes in 2025. Against the backdrop of these developments in the market infrastructure, interest in carbon credit market trends is steadily growing as a means of complementing efforts by companies and other entities to reduce greenhouse gas emissions (GHGs).

Leveraging the expertise gained through its established emissions trading operations in Europe, Daiwa Securities is developing a trading framework in anticipation of domestic carbon credit market expansion. As the only domestic securities company participating as a market maker on the Tokyo Stock Exchange's carbon credit market, we are facilitating trading and ensuring fair price formation through the continuous provision of liquidity. In recognition of these efforts, Daiwa Securities has received the Good Market Maker award every year since its inception and won the Best Market Maker award for FY2025.

In the years to come, we will steadily capture revenue opportunities arising from market expansion. At the same time, through the continuous provision of liquidity, we will support reliable price discovery and the sound development of the market, thereby helping create economic incentives for reducing greenhouse gas emissions.

Carbon Neutral 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. 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' decarbonization efforts and innovative technologies that contribute to the transition to a low-carbon economy through our financial services.

For details on the 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 (Scope 1 and Scope 2) by FY2030

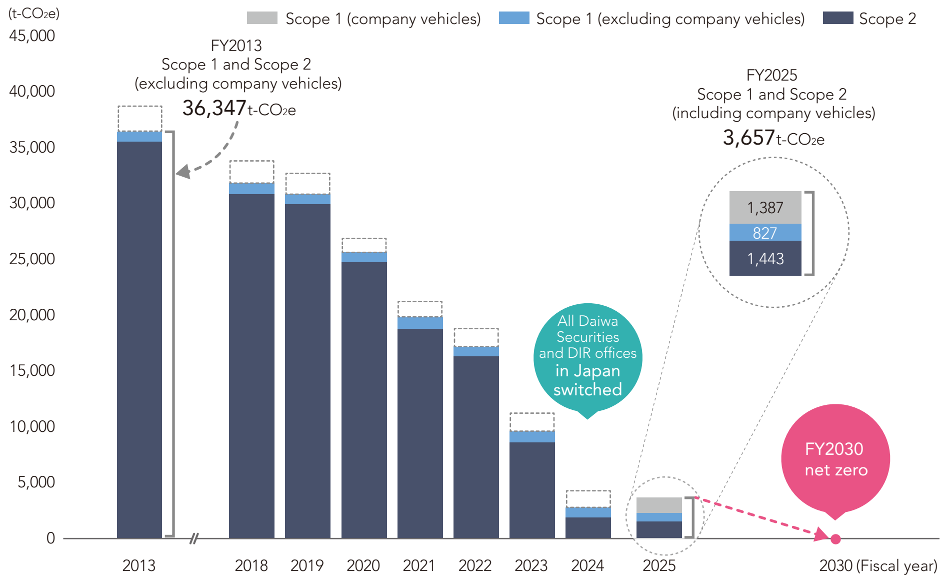
To achieve net zero GHG emissions within our own operations (Scope 1 and Scope 2), we will advance initiatives that are in line with the priority area. Specific measures include continuing energy-saving efforts and switching to renewable electricity.

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 electricity consumption 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 (DIR) switched to renewable energy for electricity used within Scope 2 emissions at all their offices in Japan. When choosing renewable power plans for our offices, Daiwa Securities Group Inc. considers not only the impact on cutting GHG emissions but also its 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. Moving forward, we will continue to consider a variety of measures. This includes reviewing price setting based on the J-Credit price while at the same time using the internal carbon price.

Looking ahead, we will promote the switch to renewable energy sources at our overseas offices as well as the transition to electric vehicles for our company fleet at offices in Japan. At the same time, in those areas where reductions are difficult to achieve through our own efforts, we will explore the use of carbon credits and other measures, with the goal of achieving net-zero Scope 1 and 2 emissions by FY2030.

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



Examples of past initiatives	Examples of future 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 DIR (from April 2024)	• Continue to improve efficiency of energy consumption • Transition to electric vehicles for our company fleet • 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 98% of the locations based on the number of employees.
2. Based on FY2025 results, emissions associated with the use of company vehicles will be included in Scope 1 (previously classified as Scope 3, Category 8). The total for Scope 1 and Scope 2, calculated in accordance with the conventional calculation categories, is 2,270 t-CO_2e.

For more information on the scope of our own GHG emissions data and calculation methods, please visit Sustainability Data Edition.
https://www.daiwa-grp.jp/english/sustainability/data/dataedition.html

Carbon Neutral Initiatives

Net zero GHG emissions within our investment and loan portfolios by 2050 (Scope 3)

To lay out a concrete path toward our goal of net zero GHG emissions within our investment and loan portfolios 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 FY2024

For the FY2024 measurement of actual values, as in the previous fiscal year, the measurement covered all sectors across asset classes 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 borrowers.

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 invested in by Daiwa Next Bank. 2. Not applicable for commercial real estate and business loans. In addition, for other asset classes, if there is no subject, a hyphen will be displayed, and if the number is rounded down, 0 will be displayed. 3. Some estimates are based on the PCAF Database (excluding subjects that cannot be referenced in the Database).

Progress toward interim targets

FY2024 results were lower than FY2023* due to a reduction in emissions from investment and loan recipients and progress in renewable energy investments and loans.

* FY2023 results: 243 g-CO_2e/kWh

GHG emissions from project finance in the power generation sector (Applies to Scope 1)

FY2024 actual values*	
Total emissions	372,480 t-CO_2e
Emission intensity	230 g-CO_2e/kWh
PCAF score	Average 2.74

Interim target value for FY2030	
Metric	Emission intensity (g-CO_2e/kWh)
Target value	186-255 g-CO_2e/kWh
Reference scenario	IEA NZE/APS

* Some calculations are based on estimated values.

Measurement results

(Unit: t-CO_2e)	Listed equities (Incl. REITs)	Unlisted equities (Incl. REITs)	Corporate bonds	Project finance	Scope 1/2	Scope 3
FY2024 results	101,412	18,582	313,343	396,927	830,264	474,632
Of which: Electricity generation	51,843	0	296,148	383,102	731,093	189,584

For details on our efforts to achieve net zero GHG emissions within our investment and loan portfolios, etc., please see the website below.
https://www.daiwa-grp.jp/english/sustainability/environment/financedemissions.html

Developing human resources deeply rooted in sustainability

Recognizing that the understanding and proactive actions of each and every employee are essential to promoting sustainability, Daiwa Securities Group conducts sustainability training every year. As part of our development and training efforts in FY2026, and in addition to the Group's sustainability strategy and specific examples of its initiatives, we took steps to deepen understanding of such environmental and social issues as climate change and the challenges associated with water resources that have a significant impact on corporate activities and society as a whole.

At the same time, we shared the view that addressing social issues is not simply a risk, but can also lead to the creation of new value and business opportunities, providing employees with the chance to connect their own work with sustainability. Our goal is to foster an organizational culture in which each employee views social issues as a personal concern and takes proactive action toward the realization of a sustainable society.

From FY2026 training video

Disclosure on Climate Change and Natural Capital Initiatives

Climate change

Daiwa Securities Group became the first securities firm in Japan to endorse the TCFD recommendations in 2018. Since then, the Group has disclosed climate-related information on an annual basis. Moving forward, we will continue to provide decision-useful information to all stakeholders, while taking into consideration developments in international disclosure standards and domestic regulations.

Climate-related risks and opportunities

The Group views climate change as a significant business opportunity that can lead to its growth. In addition to details of climate-related risks (transition risks and physical risks) that can reasonably be expected to impact our business, we identify and disclose details of climate-related opportunities that arise from our core business, namely the development and provision of financial products and services.

Risks and opportunities			Climate-related risks and opportunities	Timeline	Main business segments
Tran-sition risks	Policy/legal	01	Increased costs and subsequent deterioration in earnings at investee and managed companies due to changes in carbon pricing policy	Short to long	AM
	Technol-ogy	02	Increased costs and subsequent deterioration in earnings at investee and managed companies due to changes in energy-related technologies	Short to long	
	Market	03	Decline in fund management performance and balances, and the consequent drop in trust fees and sales-related revenue due to the transition to a carbon-neutral society	Short to long	AM and WM
	Reputa-tion	04	Deterioration of reputation associated with a lack of initiatives to deal with climate change and investment and underwriting related to businesses with a heavy environmental load	Short to long	The entire Group
Physical risks	Acute/chronic	05	Stagnation in underwriting and M&A-related business due to damage at business partners and investees and managed companies caused by abnormal weather and floods, and the decline in fund management performance and drop in trust fees and sales-related revenue	Short to long	AM, WM and GM&IB
		06	Lost value, reduced sales opportunities, and subsequent deterioration in earnings at invested properties such as solar and wind generation facilities due to natural disasters such as torrential rain and powerful typhoons	Medium to long	AM
		07	Increased costs of restoration and repairs associated with financial system failures or damage to the Group's offices and data centers from more serious natural disasters	Short to long	The entire Group
Opportunities		08	Increased underwriting for the fundraising required for green projects and the transition to a carbon-neutral society	Short to long	GM&IB
		09	Increased M&A in the renewable energy field	Medium to long	
		10	Increased opportunities to provide new financial products and expansion of opportunities for profit through market change	Short to long	AM and WM
		11	Capital inflows into investment trusts that incorporate companies with decarbonization technologies	Short to long	AM
		12	Investment into renewable energy such as solar power generation facilities and greater investment opportunities through the introduction of external capital	Short to long	
		13	Structuring investment corporations and private funds with underlying assets that are real estate and real assets with high environmental performance	Short to long	
		14	Expansion in business opportunities resulting from improvement in reputation through net-zero initiatives	Short to long	The entire Group
		15	Stimulation of the entire market through participation in sustainability-related rule-making	Short to long	

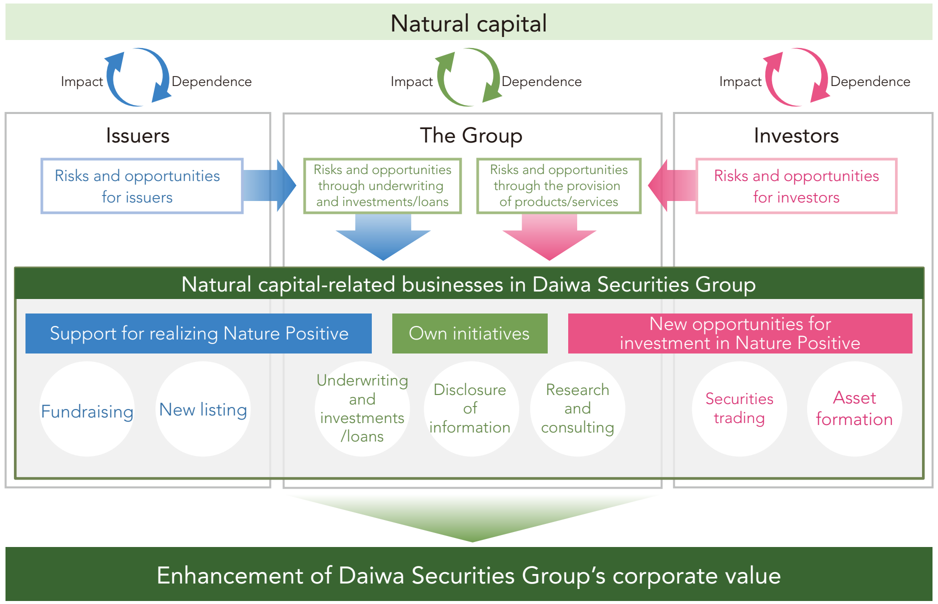
Note: Short-term is less than 3 years; medium-term is 3 years or more but less than 5 years; long-term is 5 years or more.

Natural capital

The Group recognizes that natural capital and biodiversity are social issues that require priority attention while, at the same time, we as a financial institution also recognize this as an opportunity to support companies working toward realizing Nature Positive. Based on this understanding, we began conducting analyses related to natural capital in FY2023, and are advancing disclosure efforts to promote the transition to a nature-positive economy through various businesses.

Relationship between the Group's businesses and natural capital

The Group has identified the following linkages between natural capital-related risks and opportunities and corporate value based on the Group's roles in the financial and capital markets and its businesses.



For the Climate-related Disclosures Report, please see the website below.
https://www.daiwa-grp.jp/english/sustainability/environment/tcfd.html

For disclosures based on the TNFD framework, please see the website below.
https://www.daiwa-grp.jp/english/sustainability/environment/tnfd.html

Human Rights

Daiwa Securities Group states in its Corporate Principles that it will strive to uphold high ethical standards and contribute to the sustainable development of society. Recognizing the impact of our business activities on employees and society, we established the Group's Human Rights Policy in 2022 in accordance with the UN Guiding Principles on Business and Human Rights and the Japanese government's National Action Plan on Business and Human Rights.

As far as our human rights education and awareness system are concerned, we set up the Human Rights Awareness Promotion Committee in 1984 with the aim of promoting activities and training for raising human rights awareness, thereby encouraging better understanding and appreciation of all human rights issues. The executive officer in charge of human resources serves as the Committee Chair, and under the Committee, an organization comprising all Group managers at the head office or branch level plays a promotional role, engaging in the following human rights education and awareness activities.

Study meeting on human rights	We conduct study meetings on human rights for all Group officers and employees. After watching several videos on human rights, participants discuss how to interpret the content from the perspectives of both the company and the individual, and how to respond to any issues that may arise. Specific content of the study meetings • Promoting the elimination of discrimination against people with disabilities (obligation to provide reasonable accommodation) • Examples of cross-cultural communication issues and possible solutions • Unconscious bias and harassment • Intellectual bullying • Microaggressions
Human rights education	The Group conducts human rights education for new employees with the aim of fostering a multifaceted understanding of human rights.
Human rights awareness slogans	The Group held a contest to solicit human rights awareness slogans aimed at raising human rights awareness among all Group officers and employees as well as their families, and selected and honored winners for the Grand Prize and Excellence Awards.

In recent years, we have also strengthened policies and initiatives as part of efforts to promote better understanding of LGBTQ+ human rights. As a result, we received the highest Gold rating in the PRIDE Index 2025, an evaluation of workplace initiatives for LGBTQ+ and other sexual minorities organized by the work with Pride Association.

- Partnership system: Partners, who are officially recognized by each local government, are also recognized as equivalent to spouses under the Group's internal system
- Set up of internal and external consultation channels
- Participation by Group officers and employees in the Tokyo Pride parade
- Distributed Daiwa Ally charms to officers and employees who support the initiative to raise the visibility of allies (those who support the LGBTQ+ community)


Daiwa Ally charm

In addition, to strengthen our management and governance system for environmental and social risks related to financing, which includes new financing as well as the issuance of bonds and shares, we formulated the Environmental and Social Policy Framework in 2021. In light of global trends in human rights, this framework prohibits financing for projects that involve child labor, forced labor, or human trafficking. Furthermore, in the event that the financing of projects causes serious cultural, social, and economic damage to indigenous communities or involves the expropriation of land that leads to the involuntary relocation of residents, we conduct ESG due diligence and ensure that appropriate measures are in place.

Recognizing the importance of continuously monitoring human rights practices of investees and borrowers, even after financing has been executed, we revised our policies in December 2024 to initiate regular screening. Should we become aware of child labor, forced labor, or human trafficking, we will seek remediation and preventive measures through dialogue, and carefully consider whether to continue providing investment or financing.

For details on our Human Rights Policy and commitment to respecting human rights, as well as initiatives regarding investees and borrowers, please see the website below.
https://www.daiwa-grp.jp/english/sustainability/social/human_rights.html

Corporate Governance

Message from the Chairperson of the Board

From form to substance: The Board's role in **maximizing customer asset value**

Seiji Nakata
Chairperson of the Board
Daiwa Securities Group Inc.

Japan's governance reform enters a new phase focused on substance

The third revision of Japan's Corporate Governance Code (CG Code) took effect in July 2026. While the CG Code has undergone two revisions since its introduction in 2015, this latest revision, which includes a review of the structure of its principles, represents a major turning point. Triggered by the Japan Revitalization Strategy put forward by the second Abe Administration in 2012, the pace of corporate governance reform in Japan accelerated in earnest. This led to the establishment of Japan's Stewardship Code in 2014 and the CG Code in 2015. With these two guiding principles now in place, efforts to develop governance mechanisms for publicly listed companies have shown considerable success. Coupled with the Tokyo Stock Exchange's calls to corporate management to take note of capital costs and stock prices, awareness of the importance of enhancing corporate value is steadily increasing. I am convinced that the cumulative effects of these reform measures have once again attracted the interest of foreign investors and contributed to a reevaluation of the Japanese market.

Taking into consideration the growing complexity of the CG Code as the result of successive revisions, together with the extremely high compliance rate, however, I believe the time is ripe to step back and reexamine whether corporate responses are truly substantive. If companies approach the CG Code as a checklist to be completed, they risk losing sight of its original purpose. The aim of the latest revision is to return to the principles-based spirit of the Code. Companies are increasingly expected to think for themselves and explain their approach in their own words. We believe this is what governance should be about.

A Board of Directors that supports **maximizing customer asset value**

To sustainably enhance corporate value, we must continue to earn the trust and confidence of our customers and remain their preferred partner. With that said, the role we must play to achieve that end is clear. Putting ourselves in each customer's shoes as they go about their life's journey, we support the growth of their precious assets. As a sign of our commitment, we formally established **maximizing customer asset value** as our Basic Group Management Policy. This represents the very foundation of our identity as a securities firm and the reason for our existence.

Led by the CEO, the management team is responsible for the executive function. Playing a dual role, the Board of Directors must provide its support when conditions call for an aggressive approach. Conversely, it must immediately apply the brakes when matters appear to be getting out of hand. In light of this dual role, the Board must exhibit independence and possess the necessary expertise to effectively oversee the Group's executive activities from a variety of perspectives. Drawing on their diverse expertise and experience, outside directors also play an important role in supporting this function. In this regard, the

Message from the Chairperson of the Board

responsibilities of the Board of Directors are diverse and wide-ranging. They include ensuring the efficacy of succession planning, transparency of the Nominating and Compensation Committee, and effectiveness of the Audit Committee. Rather than viewing compliance as an end in itself, the Board must consider what is best for the Group and its stakeholders. With this in mind, we engage in ongoing discussions on a raft of topics, including medium- to long-term management strategies, the allocation of capital, sustainability issues, and next-generation leadership development. We conduct an annual evaluation of the Board's effectiveness and use the results to continuously improve its performance.

One instance where the Board's oversight function was put to the test was the acquisition of ORIX Bank as a wholly owned subsidiary. Notwithstanding the substantial scale of this investment, the Board repeatedly deliberated on and confirmed that this initiative was an indispensable step toward our long-term strategy of evolving into a total asset management business model and achieving the **maximization of customer asset value**. Moving forward, we will continue to monitor the progress of integration and results. Incorporating a wide range of perspectives through dialogue with stakeholders, including institutional investors, is also important when making strategic decisions of this kind. At the same time, it is equally important for the Board of Directors to make independent decisions based on its own judgment with a view to the long-term enhancement of corporate value while taking to heart a variety of other opinions. I believe that taking a firm stance as and when required on approaches to the creation of value that cannot be fully understood from a short-term perspective is what truly fulfills our responsibility to our stakeholders.

Going beyond an internal perspective, my role as Chair is to ensure that Board of Directors' meetings incorporate a wide range of viewpoints. Since assuming the position of Chairperson of the Board, I have also engaged in a number of activities through my involvement with such organizations as the Japan Business Federation and the Japan Securities Dealers Association. Over the past year, I have participated in discussions regarding the recent revision of the CG Code across a variety of settings, including those with the government. Drawing from these discussions, I am now keenly aware that there are many insights to be gained from industry, the business world, and society as a whole, insights that cannot be obtained solely within our Group. Once again, in my capacity as Chair, I believe that bringing back the insights gained from these outside opportunities to the Board of Directors and reexamining our operations from a broader perspective is an important duty of mine.

Continuing our journey as a trusted company

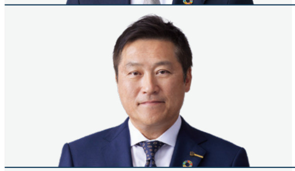
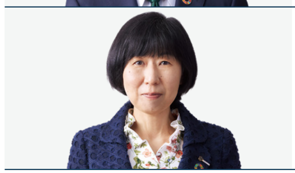
Daiwa Securities Group began reforming its governance function in earnest around 1997. Against the backdrop of substantial turmoil in the industry's operating environment, due most notably to corporate extortionist incidents, the financial system crisis, and Japan's version of the financial Big Bang, the trigger for this reform was the keen sense of urgency surrounding the need to undergo change. In 1999, we became the first publicly listed company in Japan to transition to a holding company structure. Later in 2004, we shifted to a company with a Three Committees System. Neither of these initiatives was in response to external pressure. Rather, they were the result of proactive decisions made as we confronted the challenges facing the Group head-on.

A quarter of a century has now passed, and the environment in which the Group operates has changed dramatically. Customer needs that have become more diverse and sophisticated than ever before are but one example. Technologies such as AI that have the potential to fundamentally change the way business is conducted, continue to take root at an accelerated pace. Under these circumstances, I strongly believe that maximizing the Group's comprehensive strengths and engaging with customers from a long-term perspective will help further garner trust.

By continuing to be chosen by our customers, I am convinced that we can achieve sustainable growth, enhance corporate value, and ultimately deliver value to shareholders. Trust is not something that is earned once and then forgotten. Governance too is something that must be continuously refined. Each is critical if we are to live up to the trust placed in us by customers, shareholders, investors, employees, and society at large. As a Board of Directors, we will continue to take uninterrupted steps in an effort to continue evolving.

Directors (Members of the Board)

Internal directors

		Years on the Board	Attendance at Board of Directors' meetings	Career	Expertise and experience	Significant concurrent positions
	Chairperson of the Board **Seiji Nakata** Corporate Executive Officer Nominating Committee Compensation Committee	11	10/10	1983 Joined Daiwa Securities Co. Ltd. He served successively as the Deputy Head of Corporate Planning and Human Resources of the Company, the Head of Corporate Institution and the Head of Sales of Daiwa Securities, and COO and the Head of Retail of the Company, and accordingly has broad experience related to all of Daiwa Securities Group. Also, he served as the President and CEO of the Company from 2017 to 2024 and has broad experience and insights as a manager.	They have expertise and experience to execute adequately the management and control of the Group.	Chairperson of Daiwa Securities Co. Ltd. Outside Director of Imperial Hotel, Ltd.
	**Akihiko Ogino** Corporate Executive Officer, President and CEO Nominating Committee Compensation Committee	6	10/10	1989 Joined Daiwa Securities Co. Ltd. He served successively as the Head of Legal, the Deputy Head of Overseas Operations, and the Head of Corporate Planning of the Company and the Executive Head of Human Resources and Corporate Planning of the Company. He has served as the President, and CEO of the Company since 2024. He has expertise and experience in presenting management strategies based on a wide vision and also to adequately execute the management and control of the Group.		President of Daiwa Securities Co. Ltd.
	**Eiji Sato** Corporate Executive Officer, Deputy President and COO	2	10/10	1991 Joined Daiwa Securities Co. Ltd. He served as the Head of the Finance Dept. and the Head of the Corporate Planning Dept. of the Company. He became a Senior Managing Director of the Company in 2017, and since then he has served successively as CFO, the Head of Corporate Planning and the Deputy Head of Overseas Operations of the Company. He has solid experience and record in Corporate Planning, Finance, and Investment Banking.		Deputy President of Daiwa Securities Co. Ltd.
	**Junichi Serizawa** Corporate Executive Officer, Deputy President Head of Wealth Management	Newly appointed	–	1992 Joined Daiwa Securities Co. Ltd. He served successively as the Head of Sales Support Dept. and the Head of Shibuya Branch of Daiwa Securities. He became the Senior Managing Director of Daiwa Securities in 2017, and since then he has served successively as the Head of Regional Marketing and the Head of Sales of Daiwa Securities. He has broad knowledge and experience in Wealth Management.		Deputy President of Daiwa Securities Co. Ltd.
	**Hiroko Sakurai** Corporate Executive Officer, Deputy President Head of Compliance	1	8/8*	1988 Joined Daiwa Securities Co. Ltd. She served successively as the Head of Investor Relations Office of the Company and the Head of Global Equity Sales Dept. (I) of Daiwa Securities. She became a Senior Managing Director of Daiwa Securities in 2016, and since then she has served successively as the Head of Private Banking, the Head of Contact Center, and the Head of Mass Affluent Marketing. She has broad experience and knowledge in areas such as Global Markets Division, Wealth Management Division, and Compliance Division.		Deputy President of Daiwa Securities Co. Ltd.
	**Kotaro Yoshida** Corporate Executive Officer, Executive Managing Director and CFO	Newly appointed	–	1992 Joined Daiwa Securities Co. Ltd. He served successively as the Head of the Daiwa Direct Planning Dept. and the Head of the Product Solution Dept. of Daiwa Securities, and the Head of the Corporate Planning Dept. of the Company. He became the Senior Managing Director of Daiwa Securities in 2021, and since then he has served successively as the Head of Product Solutions, etc. of Daiwa Securities. He has solid experience and track record in Corporate Planning and Finance and also has experience in Wealth Management Division.		Executive Managing Director of Daiwa Securities Co. Ltd.
	**Sachiko Hanaoka** Audit Committee Non-executive director	7	10/10	1990 Joined Daiwa Securities Co. Ltd. After serving in the Research and Product Divisions, she served successively as the Head of the Products Planning Dept., the Education and Training Dept., and the Investment Strategy Dept. of Daiwa Securities. Throughout her broad accumulated experience in the Research Division, she has developed a strong analytical ability and broad knowledge in business accounting and broad accumulated experience in management.		Audit & Supervisory Board Member of Daiwa Securities Co. Ltd., Daiwa Asset Management Co. Ltd., and Daiwa Institute of Research Ltd.

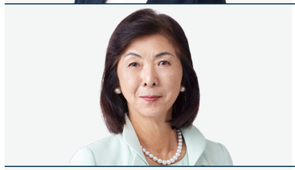
* Attendance at Board of Directors' meetings since being appointed in June 2025

Corporate management | Finance/Accounting | Legal/Compliance | DX/ICT | Global business | Sustainability

Directors (Members of the Board)

Outside directors

★ indicates committee Chair

	Name / Committees	Years on the Board	Attendance at Board of Directors' meetings	Career	Expertise and experience	Significant concurrent positions
	**Katsuyuki Nishikawa** Nominating Committee ★ Audit Committee Outside director	7	10/10	He held positions such as the Vice-Minister of Justice, the Superintending Prosecutor of the Tokyo High Public Prosecutors Office, and the Prosecutor General, and is currently an attorney-at-law. The Company has drawn on his wealth of experience and expertise on legal and compliance issues nurtured throughout his career in providing management advice.	Legal/Compliance, Sustainability	Attorney at Nishikawa Katsuyuki Law Office; Outside Audit & Supervisory Board Member of Aeon Hokkaido Corporation
	**Toshio Iwamoto** ★ Nominating Committee Compensation Committee Outside director	6	10/10	He held positions such as the President of NTT DATA Corporation. The Company has drawn on his significant accumulated experience in the management of global companies and extensive knowledge about IT nurtured throughout his career in providing management advice.	Corporate management, DX/ICT, Global business, Sustainability	Outside Director of East Japan Railway Company; Outside Director of Isetan Mitsukoshi Holdings Ltd.; Outside Director of Sumitomo Forestry Co., Ltd.
	**Yumiko Murakami** Audit Committee ★ Compensation Committee Outside director	5	10/10	She worked for the United Nations, Goldman Sachs Japan Co., Ltd., and Credit Suisse Securities (Japan) Limited, and served as the Head of Organization for Economic Cooperation and Development (OECD) Tokyo Centre. The Company has drawn on her significant global experience and knowledge about corporate management and understanding of the securities business nurtured throughout her career in providing management advice.	Corporate management, Global business, Sustainability	General Partner of MPower KK Outside Director of Nippon Television Holdings, Inc.; Outside Director of Nippon Television Network Corporation
	**Noriko Iki** Nominating Committee Audit Committee Outside director	3	10/10	She has held positions such as the Director-General of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare, the Director-General of Tokyo Labor Bureau, Ministry of Health, Labour and Welfare, and Ambassador Extraordinary and Plenipotentiary to Brunei. The Company has drawn on her expert knowledge and experience related to labor administration and diversity and significant global experience cultivated through that experience in providing management advice.	Legal/Compliance, Global business, Sustainability	Special Adviser of Japan Institute for Women's Empowerment & Diversity Management; Outside Director of FUJI KYUKO CO., LTD.
	**Mami Yunoki** Audit Committee Compensation Committee Outside director	2	10/10	She has been involved in auditing many listed companies as a certified public accountant for many years at PricewaterhouseCoopers Aarata (currently known as PricewaterhouseCoopers Japan LLC). The Company has drawn on her expert knowledge and experience related to financial accounting nurtured throughout her career in providing management advice.	Finance/Accounting, Sustainability	Representative of Mami Yunoki Certified Public Accountant Office; Outside Audit & Supervisory Board Member of Chugai Pharmaceutical Co., Ltd.; Outside Director of ORIX Corporation
	**Akira Ichikawa** Nominating Committee Compensation Committee Outside director	1	8/8*	He held positions such as President of Sumitomo Forestry Co., Ltd. and is currently Chairman of the company. The Company has drawn on his extensive experience in management of a global company and wealth of knowledge on sustainability-oriented management throughout his career in providing management advice.	Corporate management, Global business, Sustainability	Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd.; Outside Director of SUMITOMO CHEMICAL COMPANY, LIMITED; Representative Director and Chairman of Wooden Home Builders Association of Japan, Organization for Landscape and Urban Green Infrastructure, and Japan International Association for the Industry of Urban Development, Building and Housing
	**Christina Ahmadjian** Audit Committee Compensation Committee Outside director	Newly appointed	–	She held positions such as Assistant Professor of Columbia University and Professor of Hitotsubashi University. In order to leverage her expert knowledge and experience accumulated throughout her career in the Company's management, she was newly appointed as an outside director at the Company's 2026 General Meeting of Shareholders.	Corporate management, Global business, Sustainability	Outside Director of Yokogawa Electric Corporation; Outside Director of DISCO CORPORATION: Outside Director of The University of Tokyo Edge Capital Partners Co., Ltd.; Executive Director of Hokkaido University

* Attendance at Board of Directors' meetings since being appointed in June 2025

Corporate management | Finance/Accounting | Legal/Compliance | DX/ICT | Global business | Sustainability

Roundtable Discussion with Outside Directors

Mami Yunoki
Outside Director
Daiwa Securities Group Inc.

Noriko Iki
Outside Director
Daiwa Securities Group Inc.

Akira Ichikawa
Outside Director
Daiwa Securities Group Inc.

Earning and sustaining the trust and expectations of stakeholders

Outside directors support the management of the Daiwa Securities Group from an independent standpoint. Three of our outside directors, each bringing expertise in human resources and organizational development, finance and accounting, or corporate management, sat down to discuss governance, human capital investment, and risk management, as well as ways of enhancing corporate value. Drawing on their supervisory perspective, they highlighted both the Group's strengths and the challenges it faces.

Healthy tension and psychological safety on the Board of Directors

—First of all, what do you see as the distinctive characteristics and atmosphere of the Company's Board of Directors?

Yunoki: I've been impressed by the sincerity of the executive team. There's always a briefing session before Board meetings, and I feel like executives respond earnestly to questions and comments from outside directors. When anything is unclear, they follow up and never sidestep critical points. For example, discussions don't shy away even from uncomfortable topics, like the unfavorable performance of overseas businesses, and the executives share information appropriately about how the situation unfolds—this builds trust and enables outside directors to speak their minds freely.

Iki: From the perspective of psychological safety, I've observed the atmosphere of discussions in Board meetings and the mood among the executives. In my own experience, the Company's Board of Directors has fostered an environment that enables the frank and free expression of views, and I believe it ensures psychological safety. Regarding Board composition, we engaged in a timely process of exchanging opinions and making decisions regarding the increase in the number of outside directors with extensive management experience—and were eventually able to welcome Director Ichikawa as a result. In terms of diversity on the Board, having several women not only among the outside directors but also as internal directors is a great strength, and I believe the Board's composition is something the Group can be proud of.

Yunoki: The Company's Board of Directors may have a slightly more formal atmosphere compared to other

Roundtable Discussion with Outside Directors

industries, perhaps because it is a financial institution. Even in that kind of environment, though, the executive team and outside directors engage in frank discussions while respecting each other's perspectives, and the secretariat provides robust support for that. Considering this structure and the mutual recognition of our different roles, I believe the Company's governance framework is functioning effectively.

Iki: I serve on the Nominating Committee. A key responsibility of that committee is selecting the individuals who will steer the Company in the future. To assist in this process, we have luncheons arranged with executives who are not members of the Board, creating opportunities for communication. Through the free exchange of views with potential future leaders of the Group, it's clear to me that psychological safety is also well maintained within the management team.

—The Group made the major decision in 2026 to acquire ORIX Bank.

Ichikawa: I think we can say that this is a highly strategic deal. While the scale of the acquisition is considerable, I believe it will serve as a stepping stone for the Group as it moves to the next stage of growth. The executive side demonstrated that they were meticulously prepared for the deal, presenting detailed analyses covering the market structure, the target company's business model, finances, and personnel systems. I also felt there was a strong determination to leverage the strengths of both companies to achieve growth. At the same time, as someone responsible for supervising the process, I thought it necessary to consider whether there were any unforeseen risks or blind spots. I had repeated conversations with the executive team about this all the way up until the deal was concluded to ensure that no material issues were overlooked. Going forward, I intend to keep a close eye on progress with the post-merger integration.

Iki: Another important role of outside directors is to look closely at whether two companies grounded in different organizations, systems, and cultures can be integrated smoothly. Regarding this process, for a company like Daiwa Securities Group with a Three Committees System, decisions about corporate acquisitions and large-scale investments that don't require approval by the shareholders' meeting are made by the executive side, while the Board of Directors receives reports on such decisions. In this case, however, I was impressed that opportunities were provided for outside directors to receive explanations of the decision-making process while it was underway, and that the deal was being carefully thought through. My sense was that the executive side advanced the transaction while placing great importance on maintaining a close relationship with the Board of Directors.

Human capital investment and risk management: Linking non-financial initiatives to corporate value

—How would you evaluate the Group's growth strategy, particularly its non-financial initiatives?

Ichikawa: I believe there is considerable validity to a business strategy that involves ongoing investment in human capital. It's often said that "business is people" and "corporations are culture," and for a company to grow sustainably, it is necessary to continuously cultivate high-caliber talent and foster a healthy culture. One business leader I respect is Teigo Iba, the second Director-General of the Sumitomo conglomerate. Iba is well known for the environmental restoration of the Besshi Copper Mine, which had been devastated by pollution during the Meiji era. He upheld the principle that "a man of noble character esteems wealth and is scrupulous in seeking the ethical way to acquire it." Iba believed companies should pursue profits, but that they should choose the correct means and approaches to do so. And I believe that the people who determine that "way" are what truly lie at the core of a company. Especially in the financial and capital markets, because people are the true capital of the business, management cannot afford to neglect investment in personnel. At the same time, I hope that the executives and employees who are the beneficiaries of such generous investment are aware of their responsibilities. To **maximize customer asset value** and contribute to the Group's growth, each employee must continue to develop their expertise, engage sincerely with customers, and fulfill their responsibilities as a professional.

Yunoki: Among the risks involved in risk management, I think the one to be most wary of right now is cybersecurity. As AI continues to evolve at an accelerating pace, cybercriminals are also exploiting these advances.

Roundtable Discussion with Outside Directors

For financial institutions, customer assets and information are subject to zero tolerance and require the highest levels of protection and oversight, meaning that unauthorized access and data breaches are absolutely unacceptable. The Group is seeking to continuously review and reinforce the measures it has put in place so far, but it can never let its guard down. If any suspicious activity is identified, the top priority has to be on quickly containing it and protecting customer assets and information. This is a responsibility we all share.

Iki: Risk management requires the proper execution of both preventive and responsive measures—specifically detection, recovery, and external communications. The difficulty, though, is that there is no magic bullet for either aspect of risk management. A realistic approach is to systematically run an ongoing risk management PDCA cycle, and choose optimal solutions as the context changes. The Board of Daiwa Securities Group Inc. thoroughly reviews and discusses a Risk Appetite Statement twice a year—this serves as the basis for management decisions. Agenda items are also carefully selected with a keen awareness of the mounting importance to corporate management of areas such as cybersecurity and AI governance.

What is needed for the sustainable enhancement of corporate value

—Could you share your thoughts on initiatives aimed at enhancing corporate value?

Ichikawa: I believe it's critical to increase the number of shareholders and investors who share and support the Group's management policies from a longer-term perspective. The conventional way of going about this is to articulate a growth strategy and consistently follow through on it, thus rewarding shareholders with both profit returns and capital gains—and not getting carried away by short-term ups and downs in market valuation. As a listed company, though, we need to constantly monitor whether its market valuation is tending to fall behind the industry as a whole.

Yunoki: Shareholder returns are one way to enhance corporate value, and the Group has committed to a dividend payout of at least 50% while also setting a minimum dividend and proactively repurchasing shares. I believe the Group has been proactive in terms of shareholder returns. To further enhance corporate value, therefore, it will be crucial to invest in future growth. The Group is also allocating funds to growth investments such as the ORIX Bank acquisition and investments in human resources and digital technologies. It is setting forth a stance of actively allocating funds to growth investments while taking capital allocation into consideration.

Iki: As you said, Daiwa Securities Group has always been a company that is generous with its shareholder returns, which fuels high expectations among investors and makes its capital policy a topic of great interest. In that context, at the management strategy briefing held in May and in other venues, CEO Ogino has clearly outlined a policy of accelerating growth and I think has communicated his intent to focus on growth investments. In the next Medium-Term Management Plan due to begin in FY2027, I think the challenge will be how to explain the strategic significance of growth investments and the thinking behind capital allocation, and to gain the understanding and buy-in of the market. I intend to talk this over fully in Board of Directors meetings.

Ichikawa: Growth investments and shareholder returns are not a trade-off—they should be pursued simultaneously. However, the two aspects do involve different timeframes in terms of when shareholders can expect to enjoy returns. It is vital to tell a concrete story about growth investment and steadily put that into action. The balance between the two is crucial—a company without the ability to generate profits can't gain trust in its investments. Earnings power in the present is essential for profits in the future, and this is something I think needs to be looked at constantly.

Yunoki: If I were to point out one challenge for the Group in terms of enhancing corporate value, it would be how to communicate its commitment to the market. While the Group has enhanced shareholder returns, it is also building a resilient revenue base that is less susceptible to external market fluctuations, and its performance is becoming more stable as a result. Nevertheless, the ROE target is expressed simply in terms of “roughly 10%” or “aiming to significantly exceed 10% ROE by FY2030”—there still seems to be some hesitation there. Now that the Group is steadily shoring up its revenue base, I believe there’s room to communicate a stronger commitment to the market.

To all stakeholders

—Finally, do you have a message for our readers?

Iki: I strongly agree with the Group’s management stance that emphasizes strengthening and expanding human capital. As the labor market in Japan becomes more mobile and the proportion of mid-career hires increases, ensuring even greater psychological safety in the workplace so that diverse talent can thrive will prove to be a major strength for the Group. I am confident that fostering an organization in which diverse personnel continue to grow will contribute to the further enhancement of corporate value. I will also work to help the Group further realize a workforce that is even more international and offers more career diversity.

Yunoki: Two years have passed since I assumed this position, and I strongly feel that Daiwa Securities Group is a company that engages sincerely with customers, employees, and society. In addition to a customer-centric approach, a desire for the success and contentment of employees and a commitment to helping bring about a better society are palpable at all levels of the Group. I believe this is what has led to the trust and confidence outside parties have placed in the Group. As an outside director, while I have personal affinity for the Group and want to support it, I strive to always view its management from an objective and rigorous perspective. Still, I find it extremely meaningful to be involved in the development of the Group, which has this kind of corporate culture and values.

Ichikawa: As the economy becomes more and more globalized, corporate demand for funds continues to expand, and individual investors are becoming increasingly important in terms of providing that funding. In Japan as well, as the shift “from saving to investment” becomes entrenched, I feel we’re also in a period of re-examining the role of financial groups like Daiwa Securities Group that are centered on the wealth management business. Possessing a high degree of specialization, all of the Group’s executives and employees are positioned to play a significant role in supporting the flow of capital throughout the global economy, and I want to support them in doing so.

Message from the newly appointed outside director

I was appointed as an outside director of Daiwa Securities Group Inc. from FY2026. I have long followed the Group’s commitment to sustainability and have been impressed by its leadership in diversity and inclusion, climate, and governance. At a time when companies around the world are rethinking or even retreating from their sustainability commitments, Daiwa Securities Group has continued to demonstrate leadership. An important role of the Board of Directors is to oversee this commitment and ensure that sustainability is firmly linked to corporate strategy, continued value creation, and the **maximization of customer asset value**. As the world becomes more uncertain and more complex, outside directors must bring independent perspectives, critical judgment, and rigorous assessment of risks and opportunities. I will draw on my experience as a corporate director and academic to contribute to the Board.

Christina Ahmadjian
Outside Director
Daiwa Securities Group Inc.

Corporate Governance System

The Company respects the rights and interests of shareholders, considers the interests of all stakeholders, and strives to achieve sustainable growth while enhancing medium- to long-term corporate value through the realization of its corporate principles "Building trust," "Placing importance on personnel," "Contributing to society," and "Maintaining healthy earnings results." For that purpose, the Company practices group management based on a holding company structure, adopts a Three Committees System (a company with a nominating committee, etc.) as its institutional design in order to clearly separate the management supervision and business execution functions, and establishes a highly transparent and objective governance framework aligned with international standards. At the same time, the Company ensures highly efficient oversight of Group companies and builds a unified group management system that elicits synergies among Group companies. The Company discloses the details of its basic approach to corporate governance through its website, Securities Report*1, and Corporate Governance Report*2.

Sustainable growth and the improvement of medium- to long-term corporate value

Holding company structure

- The Company's corporate executive officers and employees responsible for head office functions also serve concurrently at securities subsidiaries, enhancing the efficiency of head office operations and maximizing synergies across the Group.
- Enhances competitiveness and growth potential by enabling each independent business to leverage its strengths while maintaining Group-wide cohesion.

Three Committees System

- Clearly separating the management supervision and business execution functions.
- Making swift and decisive decisions by having the Board of Directors assign wide-ranging authority to executive officers and clarifying the division of duties among corporate executive officers.
- Improving management transparency and fairness by establishing three committees: the Nominating Committee, Audit Committee, and Compensation Committee, with independent outside directors comprising the majority of each committee.

History of Daiwa's Corporate Governance

The Company transitioned to a holding company structure in 1999, a first for a listed company in Japan, amid calls for fundamental revisions to the securities company business model following Japan's version of the financial Big Bang. The Company pioneered the establishment of a consolidated Group management structure. In order to separate the management supervision and business execution functions, and to enable agile decision-making, the Company transitioned to a Committee System (currently, a company with Three Committees System) in 2004. The table on the right shows the major initiatives undertaken to strengthen corporate governance based on these foundations. The Company has also continued to enhance related governance functions, including oversight of the Medium-Term Management Plan, risk monitoring, group governance, and support for outside directors.

*1 Securities Report: https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf
*2 Corporate Governance Report: https://www.daiwa-grp.jp/english/about/governance/pdf/corporate_governance_report.pdf

March 1998 June	Establishment of the Corporate Principles Elected outside auditors
April 1999	**Became the first listed Japanese company to adopt a holding company structure** Established the Advisory Board　Established the Group Management Committee
June 2000	Established the Compensation Committee
June 2002	Elected outside directors Shortened directors' terms of office from two years to one year
July 2003	Established the Internal Control Committee
June 2004	**Shifted to a Committee System** (currently, a company with Three Committees System)
October 2015	Complied with the Corporate Governance Code and established the Outside Directors' Committee as part of this effort
April 2017	Appointed outside directors as chairs of all three committees
June 2020	The majority of directors shall be non-executive directors
April 2021 June December	Established Corporate Governance Guidelines Appointed half of the directors (seven out of 14) as outside directors The Company selected for inclusion in the new Prime Market segment on the Tokyo Stock Exchange (transferred on April 4, 2022)
June 2023	Percentage of female directors exceeds 30% (five out of 14 directors, 35.7%)
June 2024	Percentage of female directors reaches 50% (six out of 12 directors) (at that time)
June 2026	Elected a foreign national as a director

Corporate Governance Guidelines (CG Guidelines)

The CG Guidelines stipulate the basic framework and policies for Daiwa Securities Group corporate governance. They set out the objectives of the Group's corporate governance; the institutional design; the roles and composition of the Board of Directors and each committee; the roles and qualifications of the outside and internal directors; CEO succession planning; the operational and support framework for the Board of Directors; information disclosure; engagement with stakeholders; and the commitment to ensuring shareholder equality, among others.

Key points of the Corporate Governance Guidelines

Viewpoint	Rules from the CG Guidelines
Execution of the management supervisory function	One-third or more of the members of the Board of Directors shall be independent outside directors.
	As a general rule, the majority of the directors shall not concurrently serve as corporate executive officers.
Diversity of the Board of Directors	In principle, the Company shall keep the ratio of female directors at 30% or more.
Greater transparency and fairness	The Chairs of the Committees are determined by the Committees from among the outside directors.
Independence of the outside directors	In principle, the total tenure of outside directors shall not exceed 8 years, with a maximum of 10 years.

Corporate Governance Guidelines
https://www.daiwa-grp.jp/english/about/governance/corporate_governance.html

Corporate Governance System

Roles, composition, and activities of the Board of Directors

(1) Roles and activities of the Board of Directors

The Company's Board of Directors is responsible for ensuring sustainable growth and for maximizing medium- to long-term corporate value based on the Corporate Principles.

The Board of Directors determines core management matters such as basic management policy, matters relating to the appointment and dismissal of corporate executive officers, as well as internal control systems and risk management frameworks. To ensure agile decision-making, the Board of Directors delegates decision-making authority to the corporate executive officers to the greatest extent possible. It also supervises the execution of duties of the directors and the corporate executive officers. In this way, the Board of Directors fulfills its responsibilities while ensuring the fairness and transparency of Group Management.

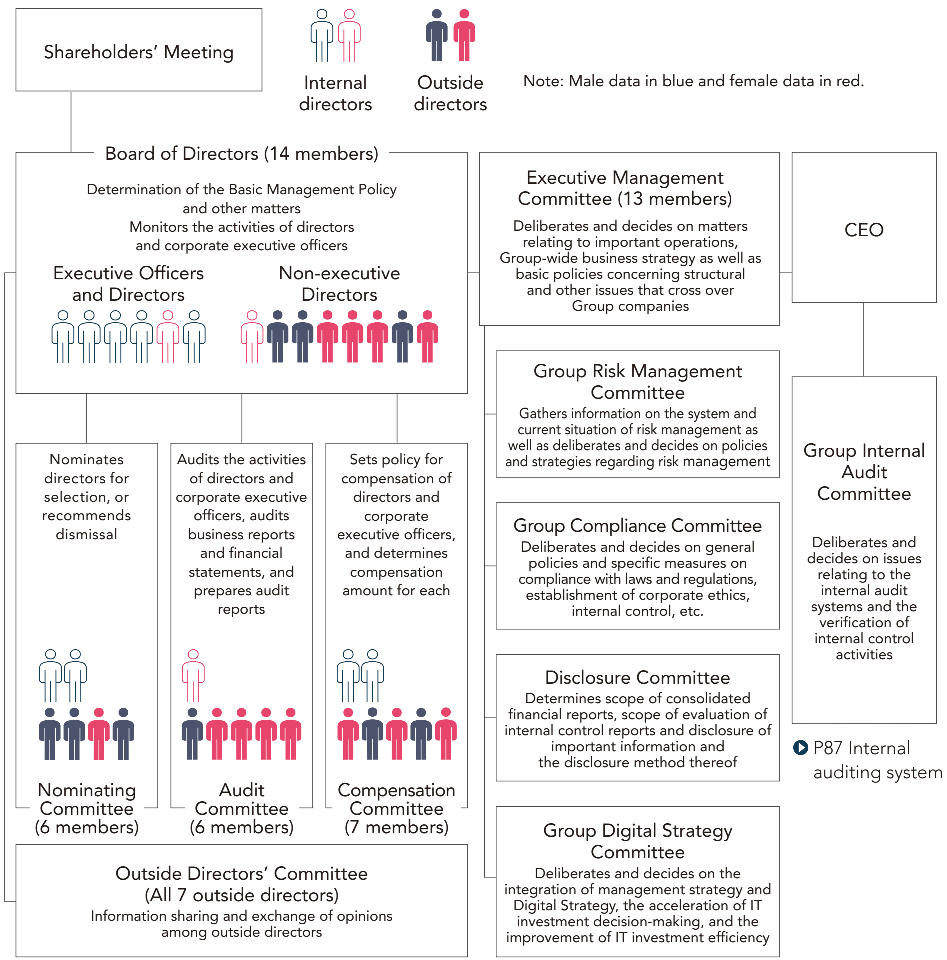
The Board of Directors' agenda involves matters to be resolved and reported. In addition to key management and other matters that are to be exclusively handled by the Board according to laws, regulations, and the Articles of Incorporation, matters to be resolved also include those that the Board of Directors deems as important and as requiring a resolution. Matters for reporting include reports on the execution of duties by the committees and corporate executive officers, as well as other matters required under laws, regulations, and the Articles of Incorporation. They may also include matters deemed necessary by the chairs of the Executive Management Committee and its subcommittees, by the directors, or by the Audit Committee, as well as matters that the Board of Directors considers important and requiring reporting.

Major agenda items for the FY2025 Board of Directors

- Review of the Medium-term Management Plan
- Revision of the Environmental and Social Policy Framework
- Acquisition of ORIX Bank as a subsidiary
- Progress updates regarding Group business alliances and overseas business
- Implementation status of unauthorized access response and cybersecurity measures
- Status of AI governance implementation

Note: For details on the Board of Directors' agenda, see page 96 of the Securities Report*[1]. In addition, for the Board of Directors' member attendance status for each director in FY2025, see Directors (Members of the Board). (page 74)

Corporate governance system at Daiwa Securities Group



P87 Internal auditing system

Notes 1. For details on governance involving sustainability, see Sustainability approach and initiatives (1) Governance in the Securities Report*[1].

2. For details on governance involving climate change, see Climate-related Disclosure on the Group's website at the following URL.

https://www.daiwa-grp.jp/english/sustainability/environment/tcfd.html

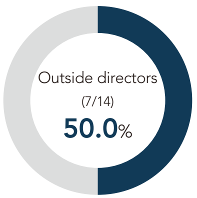
*1 Securities Report: https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf *2 Corporate Governance Report: https://www.daiwa-grp.jp/english/about/governance/pdf/corporate_governance_report.pdf

Corporate Governance System

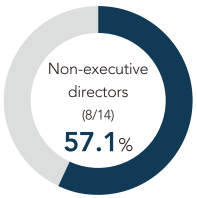
(2) Composition of the Board of Directors

The Corporate Governance Code requires companies listed on the Prime Market to appoint independent outside directors to at least one-third of their director positions. The Company has currently appointed independent outside directors to half of its director positions, and therefore meets this condition. The majority of directors are also non-executive directors, and as a Company with Three Committees, a majority of the members of each committee are independent outside directors, who also serve as the chair of each committee. As a result, the Company believes it has established a sufficient governance system.

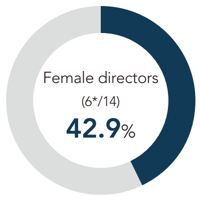
Ratio of independent outside directors



Ratio of non-executive directors



Ratio of female directors



* Of these six, two are internal directors and four are outside directors (one of whom is a foreign national)

The skills required of directors include corporate management, finance/accounting, legal/compliance, DX/ICT, global business, and sustainability. For the skills of each director, see Directors (Members of the Board) (page 74).

The Board of Directors is chaired by the Chairman of the Board, who does not hold representative authority and concurrently serves as a corporate executive officer in order to ensure management continuity and seamless cooperation between the Executive Management Committee and the Board of Directors.

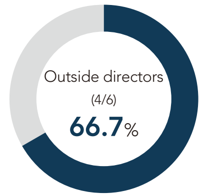
Meanwhile, the chair of the Outside Directors' Committee is responsible for organizing the outside directors, collaborating and coordinating with management, and other duties. The current Outside Directors' Committee Chair is outside director Katsuyuki Nishikawa.

(3) Activities of each Committee

◆ Nominating Committee

Members	Chair: Toshio Iwamoto (Outside Director) Director: Seiji Nakata, Akihiko Ogino Outside director: Katsuyuki Nishikawa, Noriko Iki, Akira Ichikawa
Frequency	At least 1 time/year (FY2025: Held 5 times with a 100% attendance rate)

Ratio of independent outside directors



Message from the Chair of the Nominating Committee

Toshio Iwamoto
Outside Director
Chair of the Nominating Committee

The business environment in which today's corporate sector operates is undergoing a period of significant change, impacted by a variety of factors, including rising geopolitical risks, rapid advancements in generative AI, and the tightening of international regulations regarding sustainability. In such a highly uncertain environment, the mission and responsibilities of the Nominating Committee have become even more critical to ensuring sustainable growth and management stability. Taking into consideration the need to ensure organizational continuity, maintain and develop expertise, secure diversity and creativity, and promote sound governance, strategically formulating succession plans not only for the President, but also for the entire management team, and supporting the smooth and well-planned transition of leadership are of the utmost importance.

Moreover, with regard to the nomination and evaluation of directors, including outside directors, the goals of the Committee are to ensure transparency and fairness while living up to the unwavering trust placed in us by all stakeholders. Moving forward, we will continue to uphold the highest ethical standards and strictly adhere to a position of independence. In doing so, we will steadfastly fulfill our role as the Nominating Committee and build an optimal leadership and governance structure.

*1 Securities Report: https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf *2 Corporate Governance Report: https://www.daiwa-grp.jp/english/about/governance/pdf/corporate_governance_report.pdf

Corporate Governance System

Major agenda items for FY2025

- Selection of Director candidates
- Disclosure of Directors' "Knowledge, experience and ability," etc.
- Composition of the Board of Directors in consideration of corporate governance
- The basic idea for nominating Director candidates
- CEO succession plan
- Overview of the advisor system

Policies for selection of candidates to serve as Directors

- Able to exert maximum effort to actualize the Daiwa Securities Group's Corporate Principles.
- Have a high sense of ethics and morals and take the initiative to set a good example.
- Have experience in the course of business or have expert knowledge in law, accounting, or management, etc.

Outside Directors must also fulfill all of the requirements for independence listed below, in addition to the requirements above:

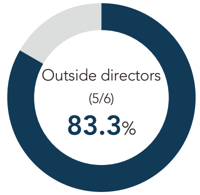
- Should not have served as an executive director, corporate executive officer, executive officer, or person in an equivalent position, nor have been an employee of the Daiwa Securities Group.
- Should not be a director, corporate executive officer, manager or employee of a company whose major shareholder is the Daiwa Securities Group or which is the main business partner of the Daiwa Securities Group.
- Have no circumstances that could impair their independence in performing their duties as a director.

For details, please see page 97 of the Securities Report*1.

Audit Committee

Members	Chair: Katsuyuki Nishikawa (Outside Director) Director/Full-time: Sachiko Hanaoka Outside director: Yumiko Murakami, Noriko Iki, Mami Yunoki, Christina Ahmadjian
Frequency	In principle, 1 time/month (FY2025: Held 12 times with a 100% attendance rate)

Ratio of independent outside directors



Message from the Chair of the Audit Committee

Katsuyuki Nishikawa
Outside Director
Chair of the Audit Committee

With the Group's business operations progressing smoothly overall, the role of the Audit Committee is to confirm that initiatives geared toward **maximizing customer asset value** are increasingly taking root. In addition to wealth management, cross-Group collaboration is expanding in the asset management field. Signs are clearly beginning to emerge that a framework for the provision of more advanced services is taking shape. Recognizing that the scope of the Group's business is expected to expand both in Japan and overseas, we will further strengthen efforts to better grasp the status of each affiliated company and work diligently to ensure the effectiveness of our governance. Cognizant also of the importance of using AI to improve operational efficiency, we will pay close attention to emerging risks, such as cyberattacks exploiting AI, and engage in the necessary oversight. Trust is the cornerstone of any financial institution. With this firmly in mind, the Audit Committee is committed to maintaining and enhancing this trust going forward.

*1 Securities Report: https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf *2 Corporate Governance Report: https://www.daiwa-grp.jp/english/about/governance/pdf/corporate_governance_report.pdf

Corporate Governance System

The Audit Committee complies with the Audit Committee audit standards, which it has set for itself, in fulfilling its duties, including auditing the legality and appropriateness of the execution of duties by directors and corporate officers, auditing business reports and financial statements, and preparing audit reports. The Company has set up the Audit Committee Department for the sole purpose of assisting in the duties of the Audit Committee.

Activity details

The Audit Committee regularly receives reports from the Internal Audit Department on the status of the Group's internal audits. Along with receiving reports from the Accounting Auditors regarding audit plans, the status and results of audits, and other matters, the Audit Committee exchanges views with the Accounting Auditors regarding Key Audit Matters (KAM).

In addition to attending meetings of the Board of Directors, Audit Committee members selected by the Audit Committee attend the Executive Management Committee and other important meetings and receive reports from directors and employees. Moreover, they enhance the effectiveness of the Audit Committee by sharing this information with other Audit Committee members.

Key audit themes for FY2025

- Initiatives for accelerating **maximizing customer asset value**
- Expanding the revenue base through Group coordination and external collaboration
- Internal control systems for Group companies in Japan and overseas

Audits under the key themes were conducted by receiving reports from directors and employees of the Company, domestic subsidiaries, and overseas subsidiaries, and entailed visiting the Daiwa Securities Ginza Branch, the Daiwa Institute of Research Eitai Building, and data centers. During the visit to Daiwa Institute of Research, auditors toured the office floors and exchanged their views on the spread of AI and the impact on human resource development and other human resource-related measures.

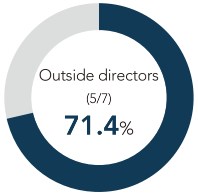
Scene from the site visit

For details, please see pages 98,135 and 136 of the Securities Report*1.

Compensation Committee

Members	Chair: Yumiko Murakami (Outside Director) Director: Seiji Nakata, Akihiko Ogino Outside director: Toshio Iwamoto, Mami Yunoki, Akira Ichikawa, Christina Ahmadjian
Frequency	At least 1 time/year (FY2025: Held 5 times with a 100% attendance rate)

Ratio of independent outside directors



Message from the Chair of the Compensation Committee

Yumiko Murakami
Outside Director
Chair of the Compensation Committee

The Chair of the Compensation Committee fulfills a substantive oversight role with respect to the executive compensation determination process from the independent standpoint of an outside director. The Committee's key mission is to ensure not only the appropriateness of compensation levels, but also the transparency and objectivity of both the decision-making and evaluation processes.

Performance-linked remuneration is designed and rigorously reviewed to ensure consistency with efforts aimed at enhancing corporate value over the medium to long term, based on an evaluation system that combines financial metrics (consolidated ROE, consolidated ordinary income, and Base Income) with the level of business KPI achievement. From FY2025, Daiwa Securities Group introduced a phantom stock program to strengthen the link to the Company's stock value without causing dilution.

The Compensation Committee held five meetings in FY2025, with all members participating in substantive deliberations. Going beyond mere formal approval, the Committee will continue to take responsibility for building a compensation governance framework that supports the Company's sustainable growth.

*1 Securities Report: https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf *2 Corporate Governance Report: https://www.daiwa-grp.jp/english/about/governance/pdf/corporate_governance_report.pdf

Corporate Governance System

Major agenda items for FY2025

- Director remuneration policy and details of individual remuneration
- Group-wide incentive plans to support improvements in consolidated earnings and share price
- Results of the executive compensation survey

For details, please see pages 98-99 of the Securities Report*1.

CEO succession planning

The Nominating Committee conducts periodic reviews of key officers who could be considered as CEO candidates, while taking into account the current CEO's views on the selection of a successor and the attributes required of a CEO. In addition, a training program to develop future management candidates is implemented annually, and its progress is regularly reported to the Board of Directors.

Article 15 of the CG Guidelines outlines the CEO succession planning process along with the appointment and dismissal process. For details on the background to the election of the current CEO, see the Corporate Governance Dialogue (page 118) in Integrated Report 2024*3.

Support for outside directors

The Company has established the Corporate Secretariat as a dedicated department reporting directly to the Board of Directors to support the secretariat functions of the Board and outside directors. Together with the Corporate Planning Department, the Corporate Secretariat serves as the secretariat for the Board of Directors. Prior to Board of Directors and committee meetings, the related departments and the secretariat hold briefings. The secretariat also shares the details of key agenda items covered at the Executive Management Committee and other meetings with the outside directors.

The Outside Directors' Committee is held multiple times throughout the year to facilitate the sharing of information and exchange of opinions among outside directors. Off-site meetings are also held to encourage more candid discussions and strengthen communication between internal directors and outside directors. For details, see page 99 of the Securities Report*1.

The Company has also set up multiple opportunities each year for internal directors and outside directors to engage in direct dialogue in an effort to further enhance communication. In addition, the Company has implemented the following initiatives to conduct training for and share information with outside directors.

Presentation by Kazuya Aihara, Representative Director and President of Fintertech, during an off-site meeting

- Explanations of operational details from each department for newly elected outside directors
- Officer training (using outside lecturers and training organizations, etc., in some cases)
- Lectures by outside experts during the Outside Directors' Committee
- Provision of industry information (including system trends)
- Regular sharing of the content of earnings announcements, management strategy meetings, and individual meetings with institutional investors
- Preparation and provision of information booklets on the Group for outside directors

Message from the Head of the Corporate Secretariat

The role of the Corporate Secretariat, an office dedicated to supporting the Board of Directors, is multifaceted. Responsibilities include managing the running of meetings, setting agendas, organizing key discussion points, and promoting opportunities for communication among directors and with management. In addition, the Corporate Secretariat works diligently to enhance the quality of discussions at Board meetings through various means, including the provision of timely and appropriate information to outside directors and the strengthening of pre-meeting briefings. The role and responsibilities of the Corporate Secretariat are consistent with requirements prescribed under the revised Corporate Governance Code. By steadily advancing these initiatives, we are committed to further enhancing corporate governance.

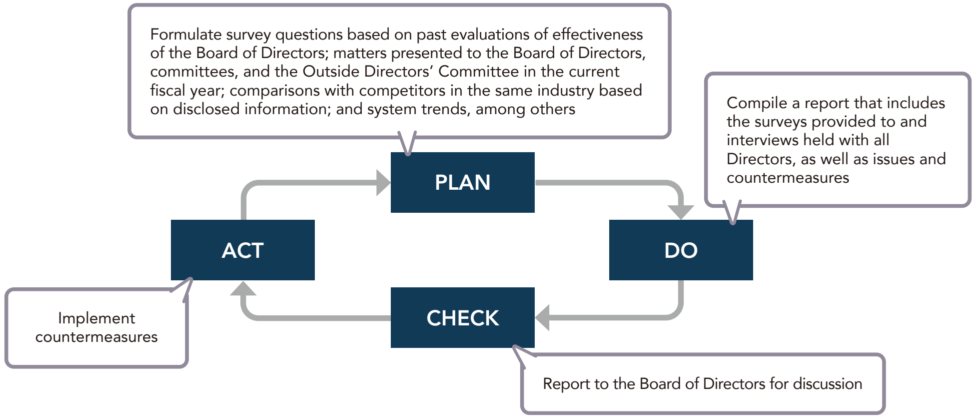
Hiraku Nihei
Head of the Corporate Secretariat

*1 Securities Report: https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf *2 Corporate Governance Report: https://www.daiwa-grp.jp/english/about/governance/pdf/corporate_governance_report.pdf
*3 2024 Integrated Report: https://ssl4.eir-parts.net/doc/8601/ir_material13/241261/00.pdf

Corporate Governance System

Evaluating the effectiveness of the Board of Directors

Daiwa Securities Group Inc. has conducted effectiveness evaluations of the Board of Directors each fiscal year since FY2014 for the purpose of identifying any issues hindering the greater effectiveness of the Board of Directors and for making improvements. All of the Directors were asked to answer a survey about the roles and responsibilities, composition, operation, and quality of discussions by the Board of Directors as well as other matters, including operation of the Nominating, Audit, and Compensation committees. They were then interviewed by specialized agencies, and the Company analyzed and evaluated the results of those interviews. The results of the evaluation were reported to the Board of Directors and discussed by the directors in order to implement a PDCA cycle. The Company endeavors to maintain and enhance the effectiveness of the Board of Directors using this PDCA cycle.



Key points of the effectiveness evaluation for the Company's Board of Directors

- External professional organizations provided advice on survey design and conducted interviews
- Reviewed agenda items for the Board of Directors and Outside Directors' Committee through surveys and interviews, and formulated an annual plan
- The FY2025 evaluation covered management strategy, risk management (added questions with respect to technology risk), the Board of Directors' agenda, dialogue with stakeholders, and the composition and management of the Board of Directors (added questions with respect to strengthening earnings power and the secretariat)
- Also conducted evaluations of the Nominating, Audit, and Compensation Committees
- As a personal assessment, the outside directors reviewed the past year themselves

The results of the FY2025 Board of Directors evaluation confirmed the overall effectiveness of the Board of Directors. The primary issues recognized by the evaluation are as follows:

- Opinions stating the need for ongoing reports regarding investment and business alliance projects and for deeper discussions that indicate the links between sustainability initiatives and enhanced corporate value
- Opinions stating the need for the early involvement of outside directors in the formulation of the next Medium-Term Management Plan and for strengthening risk management in light of increasing geopolitical, cyber, and AI risks
- Opinions stating the need for further leveraging the expertise of outside directors

The Company will seek to further enhance effectiveness by setting agenda items in light of the issues, enhancing the operations of the Board of Directors, and increasing opportunities for outside directors to exchange their views.

Furthermore, in order to further enhance objectivity, the Company periodically engages a third-party organization in addition to the external organization previously mentioned, as was the case for the FY2020 and FY2024 evaluations.

Notes: 1 For details on the FY2025 evaluation, see the Corporate Governance Report*2.
2 For issues and actions indicated by the Board of Directors in the past, see the following website.

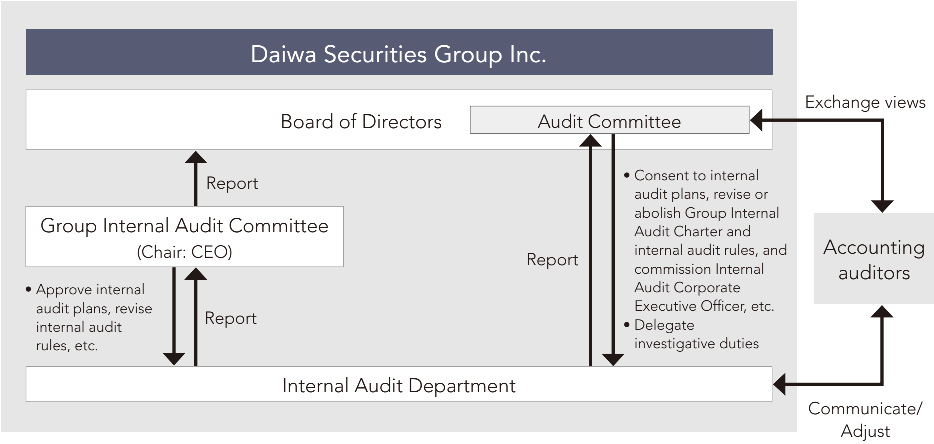
https://www.daiwa-grp.jp/english/about/governance/corporate_governance.html

*1 Securities Report: https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf *2 Corporate Governance Report: https://www.daiwa-grp.jp/english/about/governance/pdf/corporate_governance_report.pdf

Corporate Governance System

Internal Control

Internal auditing system diagram



■Internal control system

In recognition that management is responsible for maintaining an internal control system to ensure the sound and appropriate execution of business, the Group, under the main initiative of Daiwa Securities Group Inc., has established a system for managing the Group's major business risks. Through this system, the Group endeavors to ensure business effectiveness and efficiency, reliable financial reporting, compliance with laws related to business activities, and asset preservation.

In consideration of the above, the Board of Directors makes decisions regarding systems for ensuring the appropriateness of the Group's operations, and works to enhance the internal control system.

■Internal audits

The Group positions internal audits as serving a critical function as part of the internal control system, and has assigned a dedicated corporate executive officer in charge of internal audits within the Company. The Internal Audit Department functions independently from all other departments in verifying the internal control system.

Examples of issues that internal audits focus on regarding the Group's business activities

- ▷ Internal control systems at Daiwa Securities and overseas offices as a global financial instruments business operator
- ▷ Status of operations at Group companies and status of control by the Company

■Whistleblowing system (Corporate Ethics Hotline)

The Group operates a Corporate Ethics Hotline through which employees can report acts of misconduct directly to a corporate ethics officer of Daiwa Securities Group Inc. or outside lawyers. This system primarily serves to detect, correct for, and prevent violations of laws, regulations, and rules, and any other acts that risk damaging the Group's corporate value, at an early stage. In addition to clearly codifying the protection of whistleblowers in its regulations, the Group works to protect whistleblowers and ensure their anonymity when operating the system. Moreover, we adhere strictly to a no retaliation policy and prohibit the adverse treatment of whistleblowers based on their reporting. As far as reporting methods are concerned, information can be relayed through various means, including the telephone as well as the incident reporting page on the intranet and via email 24 hours a day, 365 days a year. When the hotline is contacted, the corporate ethics officer, in cooperation with the persons responsible for handling internal whistleblowing at each Group company, carries out a fact-finding investigation, while taking steps to protect the caller. In FY2025, 106 reports were received through the whistleblowing system.

The Company raises awareness of the Corporate Ethics Hotline through the Group newsletter, intranet, and various training programs, and administers the hotline so that anyone can use it without hesitation.

Structure and achievements of the whistleblowing system (Corporate Ethics Hotline)
https://www.daiwa-grp.jp/english/about/governance/compliance.html

Executive Compensation

Daiwa Securities Group recognizes that one of the most important underlying factors for enhancing corporate governance is the control of compensation-based incentives combined with ensuring transparency.

Policies for determination of remuneration of directors and corporate executive officers

As stipulated by Japan's Companies Act, the Compensation Committee has determined Policies for Determination of Remuneration of Directors and Corporate Executive Officers.

Compensation for directors and corporate executive officers is determined based on the following fundamental policies.

- ▷ To create effective incentives, which contribute to the increase of shareholder value through sound business development and also lead to the improvement of business performance in the short term as well as the medium and long term.
- ▷ To maintain a remuneration level which is competitive enough to recruit and retain people not only in Japan but also in the world as a global securities company group.
- ▷ To ensure the execution and supervision functions operated effectively as a company with a nominating committee, etc.

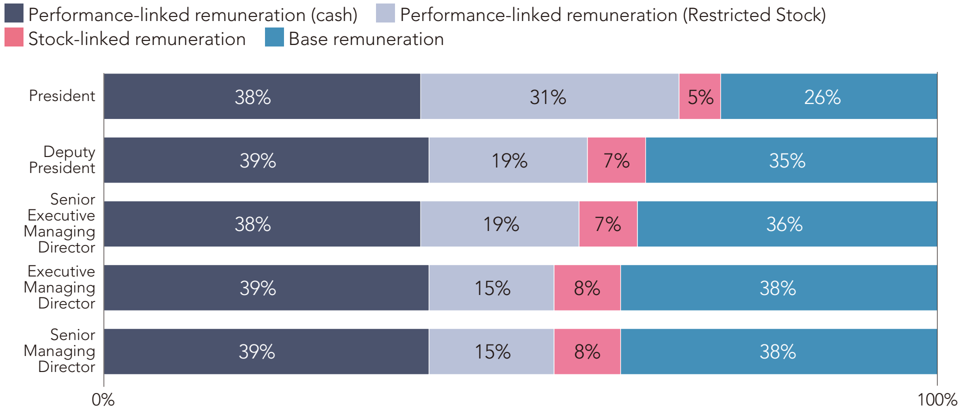
Compensation for directors and corporate executive officers is determined by the Compensation Committee and consists of base remuneration, stock-linked remuneration and performance-linked remuneration. Specifically, these are as follows:

Base remuneration	▷ A fixed amount calculated based on his/her position, duties and role, and paid monthly in cash.
Stock-linked remuneration	▷ To increase the link between remuneration and shareholder value, granted by the Company as Restricted Stock, etc., the value of which corresponds to a certain percentage of base remuneration, as non-monetary remuneration annually at a fixed time.
Performance-linked remuneration	▷ Determined depending on the level of individual contribution, based on consolidated ROE, consolidated ordinary income, and Base Income* which are settled as Performance KPIs of the Medium-Term Management Plan, while also comprehensively taking into account achievement status of the managerial goals set in the Medium-Term Management Plan and other relevant factors, and paid annually at a fixed time in the form of cash and restricted stocks. ▷ A certain upper limit is set on performance-linked remuneration that is paid in cash based on business performance. If such remuneration exceeds the limit, the excess amount will be paid in Restricted Stock instead of cash. ▷ Does not apply to directors who do not serve as corporate executive officers.

* Base Income: Total ordinary income from Wealth Management Division, Securities Asset Management, and Real Estate Asset Management

Regarding individual remuneration, etc., for directors and corporate executive officers in FY2025, the Compensation Committee decided on the content of such remuneration after confirming the consistency of the Policies for Determination of Remuneration of Directors and Corporate Executive Officers. Therefore, the Committee judges that the remuneration is in line with the guiding policies.

Ratio of performance-linked remuneration and other



Note: Above figures are the ratios when Performance KPIs of the Medium-Term Management Plan are achieved.

Indicators for performance-linked remuneration, reasons for choosing the indicators, how to determine performance-linked remuneration, and targets and results

In calculating performance-linked remuneration, the Compensation Committee makes reference to individual KPIs established as Group numerical targets in the Medium-Term Management Plan "Passion for the Best" 2026.

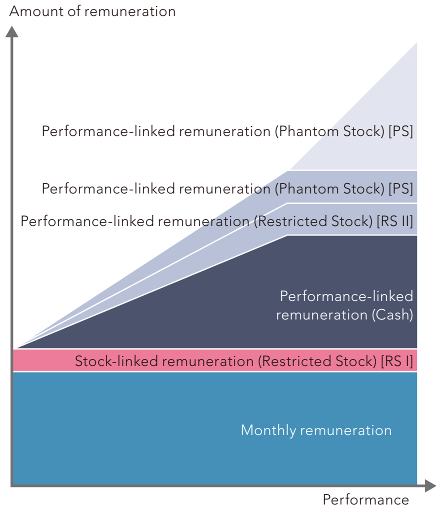
For the performance evaluation used to calculate performance-linked remuneration, the evaluation of financial performance based on Performance KPIs (calculated based on financial information) reflects a comprehensive quality evaluation of the KPIs other than Performance KPIs. Financial performance evaluation and quality evaluation are determined by the Compensation Committee.

Executive Compensation

Performance-linked remuneration is calculated by multiplying the reference value determined for each position and performance evaluation and reflecting the degree of individual contribution. Performance evaluation applies the same calculation formula to all positions.

Please refer to the Securities Report for details.
https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf

Image of remuneration



Restricted Stocks and Phantom Stocks at a value corresponding to a certain ratio of performance-linked remuneration (cash) are paid to foster a system that increases incentives for long-term performance improvement and sustainable growth.

If performance-linked remuneration exceeds a certain limit, the excess amount is paid in the form of Phantom Stocks and the level of increase gets steeper in order to foster a system that increases incentives for long-term performance improvement and sustainable growth.

Stock Compensation Plan

Daiwa Securities Group Inc. introduced the Stock Compensation Plan to increase incentives for the Company and its subsidiaries' directors, corporate executive officers, and executive officers, etc., to enhance performance in the medium and long term and strengthen values shared among the Eligible Officers, etc., and shareholders.

Stock-linked remuneration (RS I)	It is intended to provide Restricted Stocks (RS I) to an amount that equals the fixed ratio of the base remuneration, and to function effectively as an incentive for long-term performance improvement, restriction will be released when he/she resigns his/her position as director, officer, etc., of the Company and its subsidiaries and affiliates.
Performance-linked remuneration (RS II)	Performance-linked remuneration is paid in the form of Restricted Stocks (RS II) of a value corresponding to a certain percentage of performance-linked remuneration (cash). The restricted transfer period is approximately three years, which functions both as an incentive to boost long-term performance and to defer actual compensation.
Performance-linked remuneration (PS)	Performance-linked remuneration is paid in the form of Phantom Stocks (PS) of a value corresponding to a certain percentage of performance-linked remuneration (cash). Furthermore, where performance-linked remuneration exceeds a set upper limit, the portion in excess is paid in Phantom Stocks. Phantom Stocks are a cash-based compensation system linked to the Company's stock price. The holding period is approximately three years, which functions both as an incentive to boost long-term performance and to defer actual compensation.

Notes: 1. RS II is calculated by multiplying the ratios established by position by performance-linked remuneration (cash).
2. PS is calculated by multiplying performance-linked remuneration (cash) by a fixed percentage regardless of position. Regarding the President and CEO, a structure is in place to decide the ratio of performance-linked remuneration based on the Company's total shareholder return (TSR) during the results evaluation period, the rate of change of TOPIX, and a comparative valuation with the TSR of competitors.
3. Where serious compliance violations are discovered within the Group, in addition to the forfeiture of unpaid stock remuneration (malus), based on deliberation by the Compensation Committee, a clawback scheme is being introduced to allow the Company to demand the return of all or part of the stock remuneration that has already been paid.

Compensation by type of officer, remuneration, and number of eligible officers (FY2025)

Type of officer	Total compensation, etc. (millions of yen)	Value of compensation, etc., by type (millions of yen)						Recipients (persons)
		Base remuneration	RS I	Performance-linked remuneration			Retirement bonus	
				Cash	RS II	PS		
Directors	52	43	8	–	–	–	–	1
Corporate executive officers	2,059	517	138	956	157	291	–	11
Outside directors	149	139	9	–	–	–	–	7

Notes: 1. Six directors also served as corporate executive officers; their total compensation is included in the corporate executive officers category.
2. The amount of performance-linked remuneration is the amount to be paid for the current fiscal year.

Please refer to the Securities Report for details of consolidated compensation, etc., by officer.
https://ssl4.eir-parts.net/doc/8601/ir_material_for_fiscal_ym7/210681/00.pdf

Risk Management

While Daiwa Securities Group pursues profitability and growth, it also recognizes the importance of appropriately identifying, evaluating, and effectively managing various risks associated with its business operations. The Group aims to continuously improve its corporate value by maintaining a sound financial base and profit structure that is balanced in terms of risks and returns, and by appropriately controlling risks that are likely to manifest over the medium to long term, in addition to short-term risks.

Risk Management System

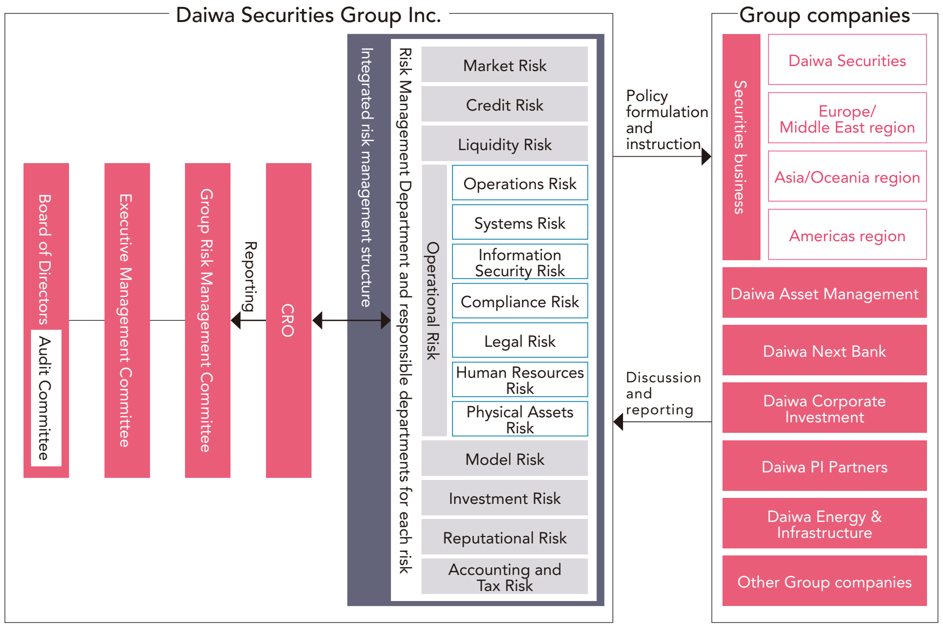
Basic policies as defined by the Rules for Risk Management at Daiwa Securities Group

1. Management's proactive involvement in risk management.
2. The structure of a risk management system that responds to features of the risks held by the Group.
3. Understand overall risk based on integrated risk management, secure strong capital and the soundness of liquidity.
4. Clarify the risk management process.

Each Group company conducts risk management suited to the risk profile and size of its business in accordance with the basic policies related to risk management. The Risk Management Department within Daiwa Securities Group Inc. and responsible departments for each risk monitor the risk management systems and risk status of Group companies. The risk status of Group companies grasped through such monitoring, as well as their risk management issues, is reported to the CRO, who is appointed from among corporate executive officers, as necessary. The CRO gives directions to address the risk management system, risk status, and other issues for each company, verifies the performance of risk management systems, and conducts reviews if necessary according to the business scale, characteristics, and risk status of each company. The CRO is in charge of reporting risk to the CEO, and does not concurrently serve as the officer in charge of internal audits or as a member of the Audit Committee.

The risk status and other issues of Group companies are reported to the Group Risk Management Committee, a subcommittee of the Daiwa Securities Group Inc. Executive Management Committee. This committee deliberates and decides on policies for risk management and specific measures. The Group Risk Management Committee also deliberates and revises the risk management process. This committee is comprised separately from the Audit Committee, and also reports on the details of its discussions to the Audit Committee.

Risk Management System



Risk Appetite Framework

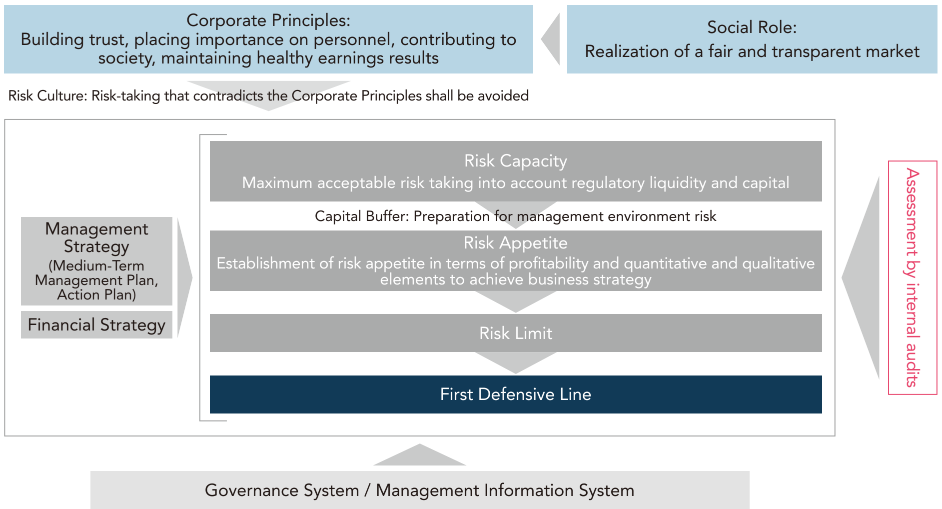
International financial institutions are increasingly required to exhibit sufficient soundness to operate their functions as financial intermediaries during times of economic and market stress. In addition, the Group is required to ensure it has sufficient liquidity and equity capital commensurate with these risks in order to be adequately prepared during times of stress.

Under this environment, the Group has introduced a risk appetite framework (RAF). The Group has documented this framework in its Risk Appetite Statement, which the Board of Directors has deliberated and decided on, and is working to spread this Group-wide while raising the level of its management system.

The quantitative risk appetite index is a topic of discussion and determination by the Board of Directors as part of the Risk Appetite Statement and reviewed twice a year.

Moreover, RAF-related audits of the Board of Directors and management business execution are conducted by the Audit Committee.

RAF Concept Chart



■Integrated Risk Management

Integrated risk management is a risk management approach that aims to ensure management safety while continually improving corporate value by identifying all risks faced by the Group and comparing them to management strengths. When engaging in integrated risk management, we measure the impact on capital and liquidity within the Group from a forward-looking perspective and utilize RAF-based stress tests*1 as well as top risk management*2 as part of our efforts to ensure a comprehensive understanding of risk.

*1 Stress tests are used for the integrated evaluation of impacts on capital, liquidity, and business systems based on probable stress scenarios that may have a major impact on the Group.
*2 To select and manage risk events that require particular attention in light of the Group's business characteristics.

Please refer to the following website for more information on the Group's risk management.
https://www.daiwa-grp.jp/english/about/governance/risk.html

Compliance

Fostering compliance awareness

Daiwa Securities Group rigorously observes regulations and exercises self-discipline so that it can contribute to the sustainable growth of society while maintaining high ethical standards. We conduct training programs for new graduates when they join the Group, and continue through regularly scheduled training sessions throughout their careers, thus ensuring that every employee is aware of and retains a deep understanding of compliance issues.

Even when undertaking new business activities where laws and regulations are not yet fully established, we are committed to developing professionals who possess integrity grounded in social norms and common sense, as well as strong self-discipline rooted in a legal mindset, so that they can consistently act and make decisions autonomously while keeping the spirit of laws and regulations in mind.

Compliance system

Daiwa Securities Group established the Group Compliance Committee, which deliberates and decides on such matters as general policies and specific measures on compliance with laws and regulations, the establishment of corporate ethics, and internal controls.

As far as compliance risks are concerned, we identify insider trading risks, inability to prevent money laundering and involvement in terrorist financing, inadequate measures to eliminate anti-social forces, information security risks, and inappropriate conduct by officers and employees as key risk areas, and are working to strengthen our management framework. Based on this identification and understanding of risks, we formulated Group Minimum Standards covering the prevention of insider trading, the elimination of anti-social forces, and information security as the basic requirements that all Group companies must comply with at a bare minimum. In addition to implementing these standards as common compliance guidelines across the Group, we work to ensure that all officers and employees are aware of and adhere to these standards through training and other initiatives.

At the same time, the Compliance Control Department, which is responsible for overall compliance planning and formulation for both Daiwa Securities Group and Daiwa Securities together with Compliance Department (I) and Compliance Department (II), oversees efforts to establish and strengthen compliance frameworks by clarifying and sharing fundamental principles and approaches, monitoring the frameworks and operational status of each company, and providing necessary support. In addition, steps are taken to collaborate with the compliance departments of Group companies and overseas bases to ensure the exchange of a wide range of information, assess the status of compliance and risk, and provide support for addressing specific issues and cases. At Daiwa Securities, every effort is made to collaborate with internal administrators assigned to the head office, branches, and divisions across a broad array of areas, including the prevention of violations of laws and regulations through monitoring as well as guidance and training.

Systems Risk Management

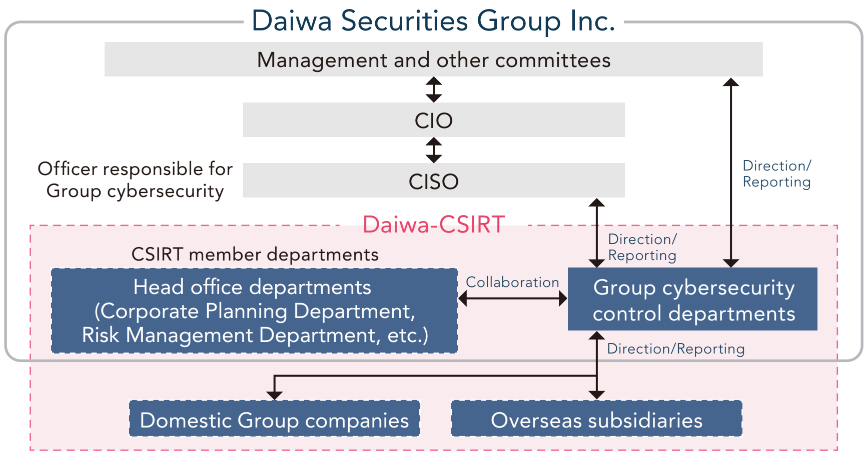
Changes in the environment surrounding financial institutions have made risks increasingly complex, raising concerns that continuity of critical operations may be difficult to maintain through preventive measures and business continuity plans (BCPs) designed for specific scenarios alone. The Group therefore works to ensure operational resilience, including business robustness and recovery capabilities, based on the assumption that business suspensions may occur despite its best preventive efforts. Built on three pillars, cybersecurity, BCPs, and governance, we are working diligently to provide services that our customers can use with confidence.

Cybersecurity

Both Japan and countries around the world have experienced repeated incidents of serious cyberattacks, which have become increasingly sophisticated and diverse through the use of AI. With the emergence of advanced AI capable of independently identifying vulnerabilities and launching attacks in a short period of time, sophisticated cyberattacks have become a significant and increasingly realistic threat. Such attacks are also borderless and demand a comprehensive response that assumes threats from overseas. Under these circumstances, the Group has positioned cybersecurity as a critical management issue and collaborates with outside organizations in an effort led by Daiwa-CSIRT, a dedicated organization that works throughout the Group, while seeking to enhance our defensive capabilities as well as our resilience in the event of a cyberattack, in an ongoing manner.

In July 2026, we established a new department solely responsible for enhancing cybersecurity management. Similarly, we created the Group Chief Information Security Officer (CISO) position to strengthen the governance framework. These moves have enabled us to identify and manage cyber risk in a centralized manner at the management level and to engage in rapid, effective decision-making while implementing countermeasures.

Under this new framework, we prioritize risks based on their significance and potential impact under a risk-based approach, and are strengthening visibility into cyber risk across the Group, as well as enhancing unified risk management and monitoring across Group companies. We are also strengthening both the incident response capabilities of Daiwa-CSIRT and the governance functions of the dedicated cybersecurity management department in an integrated manner. Through these efforts, we are enhancing cyber resilience across the Identify, Protect, Detect, Respond, and Recover functions.



Moreover, we introduced passkey authentication for online trading in order to provide an environment in which customers can carry out transactions securely. By introducing biometric authentication that does not rely on passwords, we have greatly reduced the risks of phishing and unauthorized access.

Strengthening the BCP Framework

From a business continuity planning (BCP) perspective, we had already completed the construction of a BCP response hub by FY2025 in preparation for earthquakes directly beneath Tokyo and other large-scale disasters. This initiative has successfully diversified risk in terms of geography and strengthened business resilience, in addition to enhancing the continuity of systems in the event of an emergency. In FY2026, we will conduct BCP drills for managers and employees in an effort to further improve BCP effectiveness.

Enhancing Three-tiered Governance (AI, Data, and IT)

Recognizing that AI, data, and IT governance are interrelated and complementary, the Group interprets these together as a form of three-tiered governance and seeks to further strengthen this framework. As far as AI governance is concerned, we formulated and disclosed the Daiwa Securities Group AI Governance Mission Statement, within which we defined seven items: Contribution to Society and Economy through AI, Human-Centered AI, Transparency and Accountability of AI, Appropriate Use and Learning of AI, Compliance with Laws and Privacy Protection, Security and Monitoring of AI, and Governance and Literacy Improvement of AI. Moreover, at the Group AI Governance Committee, the Heads of Compliance, Human Resources, CRO and other relevant personnel engage in multifaceted discussions on AI provision, utilization and risk control.

To ensure the safe and efficient deployment of AI agents, we will implement a host of measures going forward. This includes putting in place an integrated management platform, managing the quality of the data we handle, managing access control, and monitoring behavior.

For information regarding the Group's AI governance, please see the website below.
https://www.daiwa-grp.jp/english/about/governance/ai_governance.html

Stakeholder Engagement

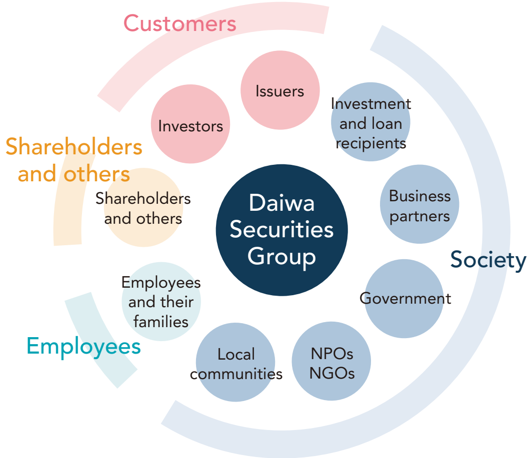
Daiwa Securities Group strives to engage proactively with stakeholders and disclose information in a fair, timely, and appropriate manner so that customers, shareholders and investors, investment and loan recipients, local communities, employees and executives clearly understand and properly evaluate the Group's activities.

Basic Policy on stakeholder engagement

1 Daiwa Securities Group will strive to engage with a broad range of stakeholders based on ISO 26000 and the Charter of Corporate Behavior of the Nippon Keidanren (Japan Business Federation).

2 The Group will strive to deepen engagement with stakeholders already known to us, including customers, shareholders and other investors, investment and loan recipients, business partners, employees and local communities.

3 The Group will strive to actively communicate and engage with third-party institutions, organizations, and individuals, etc., with whom we have previously had no contact in order to identify other stakeholders.



Basic Policy on Stakeholder Engagement
https://www.daiwa-grp.jp/english/sustainability/group_sustainability/stakeholder.html

Supply chain engagement

In order to take account of human rights, labor standards, the environment, and other social responsibilities throughout the supply chain, Daiwa Securities Group established the Daiwa Securities Group Suppliers' Code of Conduct. The Group also requests the understanding and cooperation of suppliers regarding this statement so that its suppliers also engage in ethical business practices and responsible procurement activities.

Similarly, the Group released its Declaration of Partnership Building, through which the Group strives to build sustainable relationships that enable the Group to grow together with its partners and to further raise the added value of the entire supply chain.

Supply Chain Management, Daiwa Securities Group Suppliers' Code of Conduct
https://www.daiwa-grp.jp/english/sustainability/social/supply_chain.html

Environmental and Social Policy Framework

Under the Environmental and Social Policy Framework (investment and loan policy), the Group manages the environmental and social risks of its business. This Framework applies to new investments and loans executed, as well as bond and stock issuances underwritten by Daiwa Securities Group Inc. and major Group companies, and aims to create a better society in partnership with the Group's stakeholders by acknowledging the risks for businesses that may have major negative impacts on the environment and society, and by taking appropriate measures through engagement.

Environmental and Social Policy Framework
https://www.daiwa-grp.jp/english/about/governance/risk.html#anc-04

Communication with shareholders and investors

As a means of direct communication with shareholders, the Group conducts a variety of investor relations (IR) activities. These include its general meetings of shareholders, telephone conferences on the days of earnings announcements, briefings for individual investors, management strategy briefings, individual meetings with analysts and domestic and overseas institutional investors as well as participation in the Daiwa Investment Conference held in Tokyo, Hong Kong, San Francisco, and New York.

We held a Top Management IR Meeting in February 2026 in a hybrid format, combining in-person and online participation. Featuring President and CEO Akihiko Ogino and Outside Director and Chair of the Nominating Committee Toshio Iwamoto, the meeting took the form of a panel discussion moderated by the Head of the Corporate Planning Department. Through the discussion, we engaged in interactive dialogue with institutional investors, analysts, ESG specialists, and members of the media on a variety of topics, including our capital and business alliance with Aozora Bank, the use of digital technology and AI, and efforts to strengthen our governance structure and systems. A recording of the event was made available on-demand at a later date.


Top Management IR Meeting

Stakeholder Engagement

Moreover, we provide opportunities for dialogue with a wide range of stakeholders, including ESG-focused meetings with institutional investors. In addition to holding briefings and in-person one-on-one meetings at physical venues, the Group actively utilizes online methods, such as web conferences and teleconferencing, in an effort to maintain ongoing communication with its shareholders and investors.

The insights gained through these engagements are utilized not only in formulating management strategies and capital policies but also in enhancing briefing materials and other forms of information disclosure. For example, taking into consideration opinions expressed during each dialogue, the Group set a minimum full-year dividend per share of ¥44 for the period covered by the current Medium-Term Management Plan, FY2024 to FY2026.

Focusing on the need to provide individual investors with information, we renewed and updated the section of Daiwa Securities Group Inc.'s website dedicated to individual investors and shareholders, improving its design and structure while expanding IR content in September 2025. In FY2025, we held four company briefings for individual investors, led by the CEO, CFO, and members of the Investor Relations Office, both in-person and through online formats. One of these was the Group's first-ever briefing for individual shareholders, at which the CFO served as the presenter. We are also drawing on the feedback received through Q&A sessions and surveys to improve the content and manner in which we convey information going forward.

As far as the Group's Integrated Report is concerned, and starting with the 2025 edition, we released the Japanese version two months earlier than usual, in August, and reduced the number of pages by approximately half in an effort to improve readability and ensure its timely disclosure. At the same time, we are working to diversify the manner in which information is disseminated. This includes uploading explanatory videos highlighting key points on YouTube and, once again starting with the 2025 Integrated Report, creating a video dubbed in English featuring AI-generated voice narration.

Going forward, we will redouble our efforts to strengthen our relationships of trust with shareholders and investors through constructive dialogue while working to further enhance information disclosure and deepen communication.

Daiwa Securities Group Integrated Report 2025

Status of dialogue with management, etc.
https://www.daiwa-grp.jp/ir/toolkit/dialogue.html (In Japanese only)

IR site for individual investors and shareholders
https://www.daiwa-grp.jp/ir/digest/ (In Japanese only)

Main IR Activities in FY2025

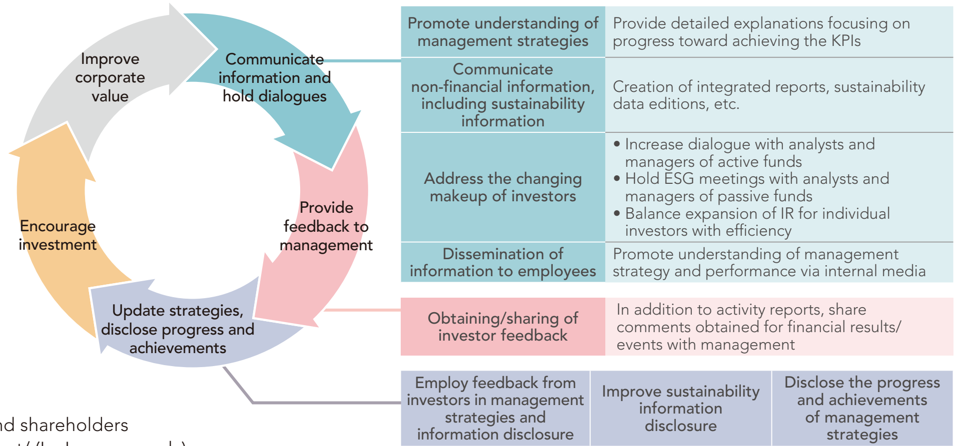
- Number of briefings for institutional investors and analysts ____ 9
- Number of meetings with institutional investors and analysts ____ 337
  - Meetings with overseas institutional investors included in the above ____ 157
- Number of briefings for individual investors ____ 4
  - Of which the number of briefings for individual shareholders ____ 1

Approach to IR and SR activities

The Group conducts IR and shareholder relations (SR) activities with the aim of deepening understanding of the Group among its shareholders, investors, and all other stakeholders. These initiatives help stakeholders to make fair and appropriate evaluations of the Group.

Provided as feedback to the Group in an appropriate manner through reports to the Board of Directors and other means, opinions, requests, and issues received through dialogue with stakeholders are utilized in the formulation of management strategies and the making of management decisions designed to increase corporate value.

Strategic IR Cycle Envisioned by the Group to Improve Corporate Value



Major Group Companies

Daiwa Securities Group Inc.

Wealth Management Division

See page 22

- Daiwa Securities Co. Ltd.
- Daiwa Next Bank, Ltd.
- Daiwa Connect Securities Co., Ltd.
- Fintertech Co. Ltd.

Asset Management Division

See page 27

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.

Global Markets & Investment Banking Division

See pages 32, 36

- Daiwa Securities Co. Ltd.
- Daiwa Capital Markets Europe Limited
- Daiwa Capital Markets Hong Kong Limited*
- Daiwa Capital Markets Singapore Limited*
- Daiwa Capital Markets America Inc.

* Also part of the Wealth Management Division

Other

- Daiwa Institute of Research Ltd.
- Daiwa Securities Business Center Co. Ltd.
- Daiwa Facilities Co., Ltd.

Key Financial Data

Millions of yen (Except as otherwise specified)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Operating Performance										
Operating revenue	616,497	712,601	720,586	672,287	576,172	619,471	866,090	1,277,482	1,372,014	1,467,983
Commission received	273,335	313,625	283,027	266,574	286,835	314,051	279,991	358,532	416,489	478,481
Net trading income	128,120	109,005	92,218	93,802	118,895	101,522	70,253	98,160	107,373	105,855
Net gain (loss) on private equity and other investments	14,846	26,912	(232)	14	4,808	6,048	3,692	14,381	12,360	1,639
Financial revenue	143,241	190,444	291,005	258,122	93,188	75,978	332,548	607,590	681,952	690,472
Other operating revenue	56,953	72,613	54,567	53,772	72,444	121,870	179,604	198,816	153,839	191,534
Financial expenses	98,725	148,348	242,468	209,916	54,480	44,714	268,498	525,853	603,940	597,866
Other operating expenses	45,022	58,901	36,876	36,110	55,031	72,663	133,365	160,718	122,084	149,689
Net operating revenue	472,750	505,350	441,240	426,259	466,660	502,093	464,226	590,910	645,990	720,427
Selling, general and administrative expenses (SG&A)	353,687	370,292	373,914	371,970	373,800	386,559	397,952	437,205	479,247	513,094
Operating income	119,062	135,058	67,326	54,288	92,859	115,534	66,273	153,705	166,742	207,333
Ordinary income	135,623	155,676	83,159	70,283	115,175	135,821	86,930	174,587	224,716	234,510
Profit attributable to owners of parent	104,067	110,579	63,813	60,346	108,396	94,891	63,875	121,557	154,368	175,281
Segment Information*1										
New segment: Ordinary income (loss)*2										
Wealth Management	—	—	—	—	—	—	—	66,213	80,664	112,033
Asset Management	—	—	—	—	—	—	—	66,407	77,418	65,432
Global Markets & Investment Banking	—	—	—	—	—	—	—	44,037	42,738	58,995
Others/adjustments	—	—	—	—	—	—	—	(2,069)	23,895	(1,950)
Consolidated total	—	—	—	—	—	—	—	174,587	224,716	234,510
Former segments: Ordinary income (loss)										
Retail	29,375	51,331	24,674	6,405	20,070	41,807	25,886	58,924	—	—
Wholesale	65,437	45,373	25,400	38,034	74,737	50,951	2,822	44,037	—	—
Asset Management	26,572	29,119	28,359	26,580	32,775	45,253	44,526	45,940	—	—
Investment	13,041	24,499	(1,093)	(877)	1,123	7,192	13,068	19,669	—	—
Others/adjustments	1,196	5,353	5,817	140	(13,532)	(9,382)	626	6,015	—	—
Consolidated total	135,623	155,676	83,159	70,283	115,175	135,821	86,930	174,587	—	—
Ordinary Income (Loss) from Overseas Operations*3										
Europe	2,759	4,227	(1,947)	(4,253)	3,969	(2,270)	7,184	(433)	(2,481)	(1,435)
Asia/Oceania	1,480	4,433	2,946	2,601	4,659	5,986	3,007	6,714	8,556	8,677
Americas	9,254	2,742	2,766	17,644	13,188	5,809	7,910	13,680	14,722	19,503
Total	13,493	11,403	3,765	15,992	21,817	9,525	18,102	19,960	20,798	26,745

*1 Details of major Group companies included in each Division are provided on pages 22-32.
*2 New segment figures for FY2023 have not been audited by an independent auditor.
*3 Ordinary income from overseas operations has not been audited by an independent auditor.

Key Financial Data

Millions of yen (Except as otherwise specified)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Financial Conditions (Fiscal year-end)										
Total assets	19,827,296	21,135,041	21,126,706	23,822,099	26,099,330	27,531,089	26,413,248	32,027,299	36,024,346	38,077,646
Net assets	1,343,433	1,370,520	1,256,430	1,257,766	1,591,841	1,639,888	1,675,489	1,788,658	1,923,287	2,045,809
Regulatory Indicators										
Consolidated Capital Adequacy Ratio*4										
Consolidated Common Equity Tier 1 Capital Ratio	22.2%	21.78%	21.64%	18.69%	18.70%	17.29%	18.22%	18.78%	19.07%	17.73%
Consolidated Tier 1 Capital Ratio	22.2%	21.78%	21.64%	21.16%	21.72%	19.77%	21.00%	21.45%	21.74%	20.00%
Consolidated Total Capital Ratio	22.2%	21.78%	21.64%	21.16%	21.72%	19.77%	21.13%	21.58%	21.84%	20.06%
Consolidated Leverage Ratio	5.89%	5.57%	5.82%	5.80%	6.89%	6.59%	6.44%	6.21%	5.33%	5.10%
Consolidated Liquidity Coverage Ratio	145.3%	146.6%	141.5%	150.6%	161.2%	149.0%	135.9%	135.2%	142.9%	125.8%
Consolidated Net Stable Funding Ratio	—	—	—	—	—	148.4%	137.2%	141.5%	158.7%	122.4%
Cash Flows										
Cash flows from operating activities	44,543	(1,319,248)	304,857	167,190	390,979	(353,467)	(183,745)	705,124	(454,066)	438,963
Cash flows from investing activities	307,713	777,872	108,243	(215,397)	(91,641)	(218,534)	7,457	(223,986)	(353,443)	(583,599)
Cash flows from financing activities	143,231	432,813	55,741	(135,794)	438,067	377,090	(565,878)	(2,847)	199,019	199,423
Cash and cash equivalents at end of year	3,766,145	3,653,464	4,122,102	3,933,149	4,723,526	4,554,375	3,835,559	4,351,951	3,739,698	3,772,624
Per Share Data (Yen)										
Net income per share (EPS)*5	61.53	66.88	39.95	39.11	71.20	63.06	43.53	84.94	109.53	126.04
Net assets per share (BPS)	745.80	786.56	794.54	796.33	875.12	925.81	968.93	1,086.20	1,158.82	1,272.72
Dividend per share (DPS)	26.00	28.00	21.00	20.00	36.00	33.00	23.00	44.00	56.00	64.00
Closing share price	677.9	678.7	539.0	419.2	572.1	692.7	621.0	1,151.0	993.8	1,460.0
Other Indicators										
Dividend payout ratio	42.3%	41.9%	52.6%	51.1%	50.6%	52.3%	52.8%	51.8%	51.1%	50.8%
Market capitalization (Period-end closing price, number of shares issued basis)	1,152,009	1,153,368	915,965	712,379	972,214	1,177,159	974,584	1,806,354	1,559,648	2,291,293
ROE	8.4%	8.8%	5.1%	4.9%	8.5%	7.0%	4.6%	8.3%	9.8%	10.3%

*4 Consolidated Capital Adequacy Ratio hereunder is calculated under the principles of Financial Service Agency Public Notice 130 of the Financial Instruments and Exchange Act (Article 57-17-1).
*5 Net income per share is calculated on the basis of the average number of shares outstanding during the fiscal year.

Financial Statements of Daiwa Securities Co. Ltd.
https://ssl4.eir-parts.net/doc/8601/ir_material13/284812/01.pdf

Key Non-financial Data

For more detailed sustainability data, including management, social and environmental reports, and information on third-party assurance, please refer to the Sustainability Data Edition on our sustainability website.
(https://www.daiwa-grp.jp/english/sustainability/data/dataedition.html)

Personnel Related

		FY2021	FY2022	FY2023	FY2024	FY2025
Consolidated number of employees*	G	14,825	14,671	14,545	14,783	14,984
Male		7,646	7,543	7,548	7,694	7,864
Female		5,220	5,174	5,102	5,210	5,363
Overseas		1,959	1,954	1,895	1,879	1,757
Number of temporary employees	G	262	241	288	324	313
Number of new graduates recruited	4	319	402	466	480	556
Male		164	232	278	277	318
Female		155	170	188	203	238
Mid-career recruits	4	62	131	131	237	173
Male		51	101	104	176	127
Female		11	30	27	61	46
Percentage of mid-career recruits		16.3	24.6	21.9	33.1	23.7
Average age	D	39.3	39.6	40.7	40.8	41.1
Male		40.5	40.7	41.8	41.8	41.9
Female		37.8	38.3	39.3	39.5	40.1
Average number of years of service	D	14.9	15.1	14.1	13.7	14.9
Male		16.3	16.4	14.9	14.3	15.5
Female		13.0	13.6	13.0	12.9	14.3
Employee turnover rate (%)	G	5.4	5.1	5.1	3.8	3.5
Voluntary employee turnover rate (%)	G	5.1	4.7	4.6	3.3	3.2
Number of employee union members	6	6,505	6,280	6,131	6,189	6,181
Ratio of employees who are employee union members (%)	6	56.0	54.8	54.2	51.6	50.2

* The number of employees stationed overseas is included in the overseas category.

Selected range of numerical data

- G : Group-wide (excluding equity-method affiliates)
- D : Daiwa Securities (non-consolidated)
- 7 : Daiwa Securities Group Inc., Daiwa Securities Co. Ltd., Daiwa Asset Management Co. Ltd., Daiwa Institute of Research Ltd., Daiwa Securities Business Center Co. Ltd., Daiwa Facilities Co., Ltd., Daiwa Corporate Investment Co., Ltd.
- 6 : Daiwa Securities Group Inc., Daiwa Securities Co. Ltd., Daiwa Asset Management Co. Ltd., Daiwa Institute of Research Ltd., Daiwa Securities Business Center Co. Ltd., Daiwa Corporate Investment Co., Ltd.
- 4 : Daiwa Securities Co. Ltd., Daiwa Asset Management Co. Ltd., Daiwa Institute of Research Ltd., Daiwa Securities Business Center Co. Ltd.
- 2 : Daiwa Securities Group Inc., Daiwa Securities Co. Ltd.

Education Related

		FY2021	FY2022	FY2023	FY2024	FY2025
Number of people who have completed selective management training programs	7					
Daiwa Management Academy (cumulative total)		496	520	543	567	591
Daiwa Leadership Program (cumulative total)		1,427	1,598	1,778	1,895	1,995
Number of persons earning credentials	7					
AFP		7,390	7,309	7,188	7,288	7,451
CFP		1,321	1,469	1,570	1,677	1,775
CMA		1,509	1,550	1,553	1,576	1,586
CFA		53	49	46	47	51
TOEIC (730-990)		1,768	1,802	1,820	1,819	1,795
Overseas MBA program, etc.		142	138	129	133	122
Costs for educational investment						
Cost for the Group's educational investment (billions of yen)		1.9	2.06	2.16	2.22	2.31
Costs for educational investment per employee (millions of yen)		0.15	0.16	0.17	0.18	0.18
Operating income per employee (millions of yen)		7.8	4.5	10.5	11.3	13.8

Taxes Paid by Country (FY2024)

		Japan	United States	United Kingdom	Singapore	Others	Total
Revenue	(Billions of yen)	1,060.84	562.78	43.42	11.45	48.51	1,727.01
	(%)	61.4%	32.6%	2.5%	0.7%	2.8%	100.0%
Profit (loss) before income tax	(Billions of yen)	185.69	14.63	(3.53)	3.49	3.76	204.04
	(%)	91.0%	7.2%	(1.7%)	1.7%	1.8%	100.0%
Income tax paid	(Billions of yen)	60.11	3.39	0.06	0.48	0.24	64.28
	(%)	93.5%	5.3%	0.1%	0.7%	0.4%	100.0%
Income tax accrued	(Billions of yen)	53.92	3.13	0.03	0.50	0.56	58.14
	(%)	92.7%	5.4%	0.0%	0.9%	1.0%	100.0%

Notes: 1. Data is based on the Country-by-Country Report submitted to tax authorities in each country.
2. The amount of Income Tax Paid is the taxes actually paid (on a cash basis) during FY2024.

Tax Policy
https://www.daiwa-grp.jp/english/about/governance/tax_policy.html

Key Non-financial Data

Diversity Related

		FY2021	FY2022	FY2023	FY2024	FY2025
Percentage of employees who are female	G	40.6	40.7	40.5	40.4	40.5
Percentage of managers who are female	G	15.1	16.9	18.4	20.4	22.0
	D	18.3	19.9	21.1	23.2	24.9
Number of newly appointed managers who are female	D	78	76	54	55	65
Percentage of newly appointed managers who are female	D	39.4	45.2	38.3	42.6	37.1
Number of employees re-hired	D	145	156	186	171	153
Percentage of employees who are persons with disabilities	D	2.62	2.59	2.63	2.62	2.71

Work-Life Balance Related

		FY2021	FY2022	FY2023	FY2024	FY2025
Annual regular working hours	2	1,830.0	1,788.8	1,837.5	1,830.0	1,830.0
Average monthly overtime hours*	2	21.6	22.9	23.6	22.7	23.3
Paid vacation usage rate (%)	2	70	74.8	75.4	75.2	72.8
Number of employees taking childcare leave	G					
Female		582	624	562	518	543
Male		284	262	254	273	273
Percentage of employees taking childcare leave	D					
Female		100	99.5	99.3	100.0	100.0
Male		92.2	88.7	97.5	101.0	91.5
Short working hour system usage (persons)	D	520	551	550	566	556
Daycare subsidy usage (persons)	D	844	902	820	875	791
Number of employees taking nursing care leave	G					
Female		6	11	9	12	15
Male		2	1	2	3	1

* Figures for union members at two companies.

Social Contribution Related

	FY2021	FY2022	FY2023	FY2024	FY2025
Cash contributions					
From Daiwa Securities Group* (thousands of yen)	1,914,992	664,016	596,752	650,002	620,724

* Companies covered are Daiwa Securities Group Inc., Daiwa Securities Co. Ltd., and Daiwa Next Bank, Ltd.

Environment Related

	FY2021	FY2022	FY2023	FY2024	FY2025
Domestic and overseas greenhouse gas emissions (t-CO_2)					
Scope 1*1	954	840	926	841	2,214
Scope 2 (Market-based)	18,790	16,265	8,632	1,884	1,443
Scope 2 (Location-based)	—	—	—	25,033	22,026
Scope 3	3,321	4,140	4,342	4,274	2,959
Category 6 Business travel*2	190	792	957	1,002	1,053
Category 7 Commuting*3	1,700	1,818	1,848	1,860	1,905
Category 8 Leased vehicles*1	1,432	1,530	1,537	1,411	—

Note: Greenhouse gas emissions for the Group are calculated for CO_2. Scope 2 emissions are calculated on a market and location basis from FY2024. Companies included in calculations are as follows:

Domestic: Three companies, Daiwa Securities Group Inc., Daiwa Securities Co., Ltd., and Daiwa Institute of Research Ltd. The data for Gran Tokyo North Tower, where Daiwa Securities Group is based, Daiwa Yaesu Building, Daiwa Toyocho Building, and Daiwa Ginza Building includes energy consumption data for Group companies other than those mentioned above, which they use and manage.

Overseas: Energy consumption used and managed by certain Group companies located in London, New York, Hong Kong, Taipei, Singapore, Seoul and Washington D.C. offices.

*1 Starting in fiscal year 2025, GHG emissions related to fuel for company-leased vehicles (Daiwa Securities Group, Daiwa Securities, and Daiwa Institute of Research), which were previously reported under Scope 3 Category 8, will be included in Scope 1 from FY2025.
Note that Scope 1 emissions calculated based on the previous calculation categories amount to 827t-CO_2e.

*2 Greenhouse gas emissions from overseas business travel (airplane use) by officers and employees of Daiwa Securities Group Inc., Daiwa Securities Co. Ltd., and the London and Hong Kong offices.

*3 Greenhouse gas emissions related to commuting expenses paid to officers and employees of Daiwa Securities Co. Ltd. (commensurate with in-office work rate)
For more information on the Scope 3 Category 15 investment and loan portfolio GHG emissions please refer to page 68.

Stock Information

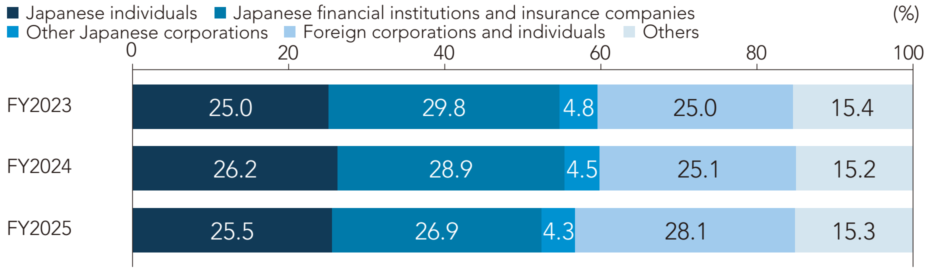
Major Shareholders

(As of March 31, 2026)

Name	Number of shares held (Thousands)	% of total outstanding shares
The Master Trust Bank of Japan, Ltd. Trust Account	204,275	14.74%
Custody Bank of Japan, Ltd. Trust Account	64,218	4.63%
Taiyo Life Insurance Company	41,140	2.96%
Nippon Life Insurance Company	31,164	2.24%
JAPAN POST HOLDINGS Co., Ltd.	30,000	2.16%
STATE STREET BANK AND TRUST COMPANY 505001	25,906	1.86%
JP MORGAN CHASE BANK 385781	19,444	1.40%
The Nomura Trust and Banking Co., Ltd. Trust Account	18,968	1.36%
Daiwa's Employee Stock Ownership Association	17,265	1.24%
Barclays Securities Japan Limited	13,860	1.00%

Note: Treasury stock of 183,731,624 shares is excluded for calculating the percentage of the above list of major shareholders.

Breakdown of Shareholders (As of March 31)



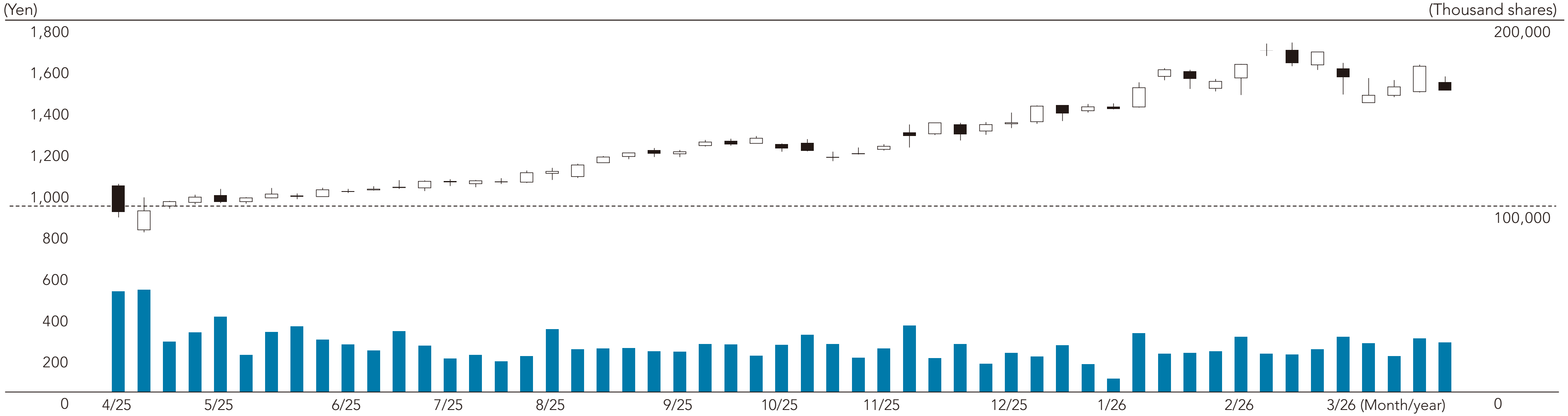
Share Capital

¥247,397 million (as of March 31, 2026)

Stock Price on the Tokyo Stock Exchange (April 1, 2025 – March 31, 2026)

Open	High	Low	Close	Average daily trading volume
¥1,000.0	¥1,691.5	¥773.0	¥1,460.0	5,434 thousand shares

Stock Price and Trading Volume on the Tokyo Stock Exchange (April 1, 2025 – March 31, 2026)



Daiwa Securities Group

https://www.daiwa-grp.jp/english/ir/