

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.



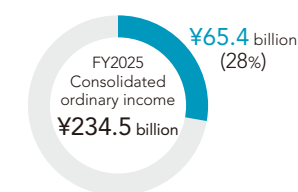
Shinsuke Niizuma
Head of Asset Management

As the era of positive interest rates becomes entrenched and Japan's asset management market reaches a turning point, the Asset Management Division—itsself 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**.

AM Division ordinary income



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