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

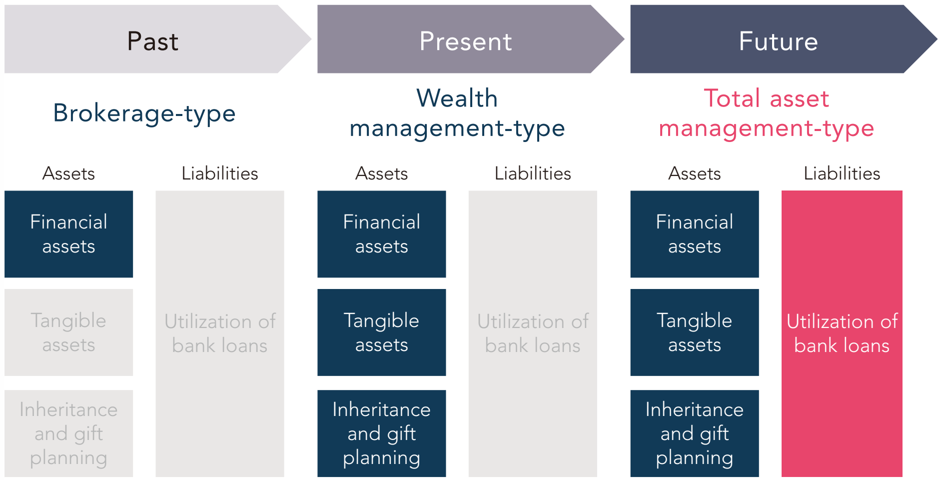
We recognize that people are the source of our competitive strength. While continuing to hone their high level of expertise, each and every employee is working to acquire digital skills, including AI. By combining this business expertise with digital skills, we are working with our employees to create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

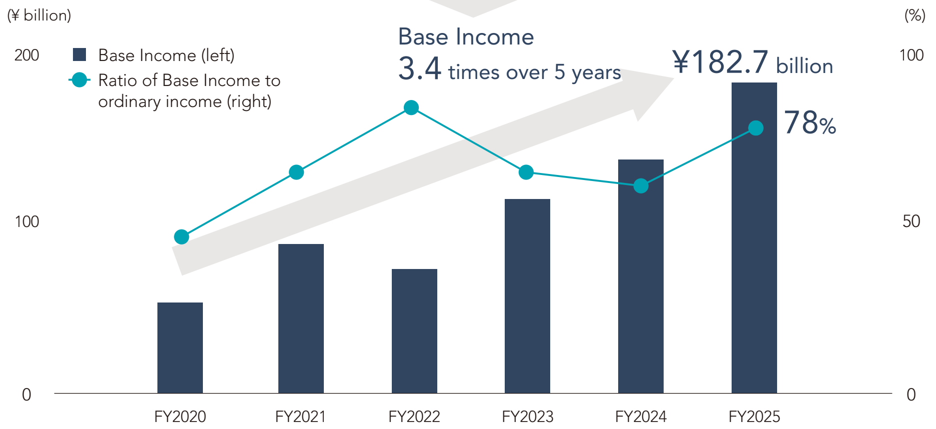
Why Daiwa? Reasons for Choosing Daiwa Securities Group

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.

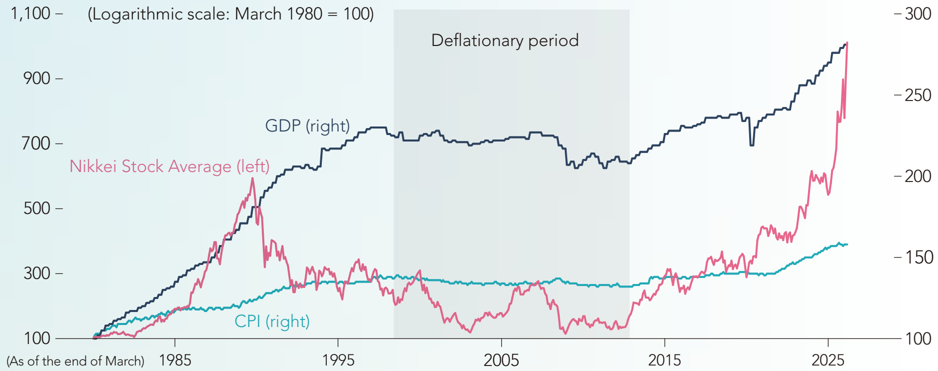
	FY2020 results	FY2025 results	Changes over five years
Ordinary income	¥115.1 billion	¥234.5 billion	+103.6%
ROE	8.5%	10.3%	+1.8pt
Dividend per share	¥36	¥64	1.7 times

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.



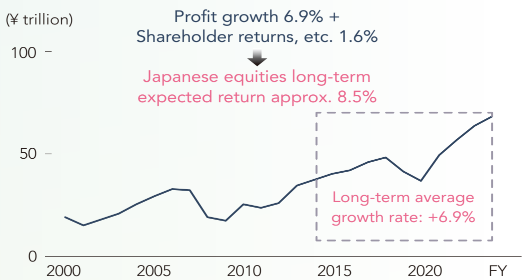
Note: Nikkei Stock Average shown on a logarithmic scale excluding dividends (as of the end of May 2026); CPI before seasonal adjustment (as of April 2026); GDP after seasonal adjustment (as of March 2026)

(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*



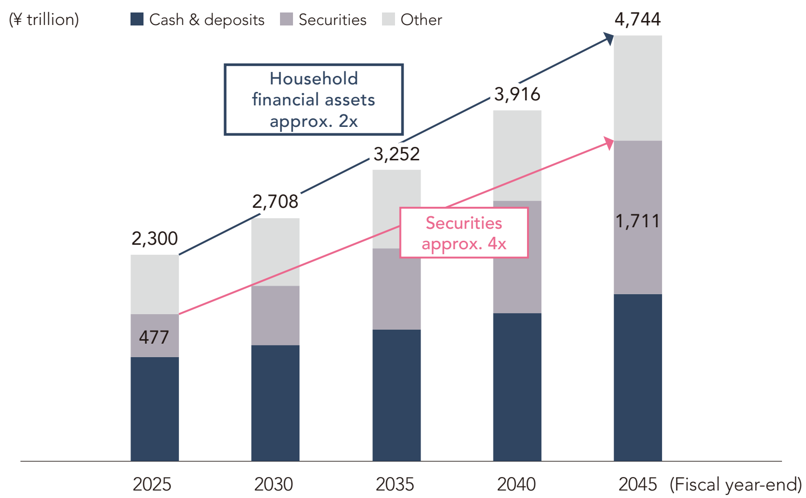
* Latest data through FY2024. Companies with capital of ¥1 billion or more, excluding financial and insurance industries. Prepared by Daiwa Securities from the MOF Financial Statements Statistics of Corporations. Profit growth 6.9% is the 3-year average over the past 10 years as of FY2024. The average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

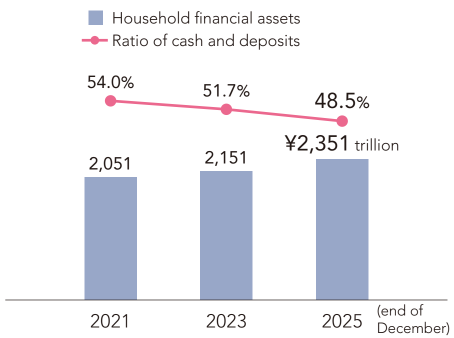
(Source) Compiled by Daiwa Securities based on Bank of Japan data.

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

The shift "from savings to investment" gaining momentum

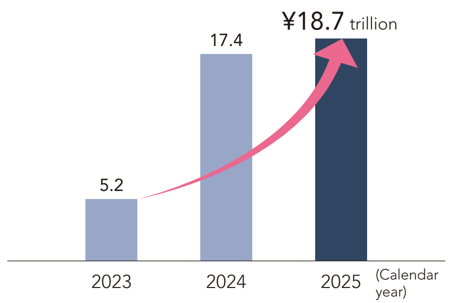
The proportion of cash and deposits in Japanese households' financial assets fell below 50% in 2025. One factor behind this trend is the expansion of the new NISA system. In 2025, the purchase amount from NISA accounts totaled ¥18.7 trillion, and the number of accounts exceeded 28 million. As a result, 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

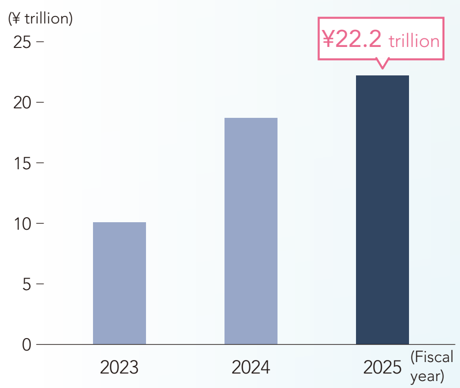
Japan's corporate sector is undertaking a major shift toward management practices that prioritize capital efficiency. Behind this shift is a change in companies' awareness toward corporate governance. Since the Tokyo Stock Exchange requested corrective action from companies with a PBR below 1 as of the 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)

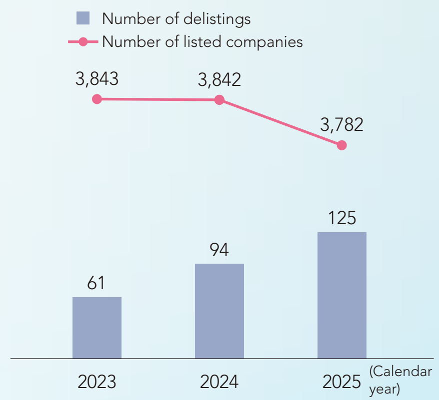
(Source) Compiled by Daiwa Securities based on various materials.

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