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

Message from the CEO

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

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

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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.

A. Ogino

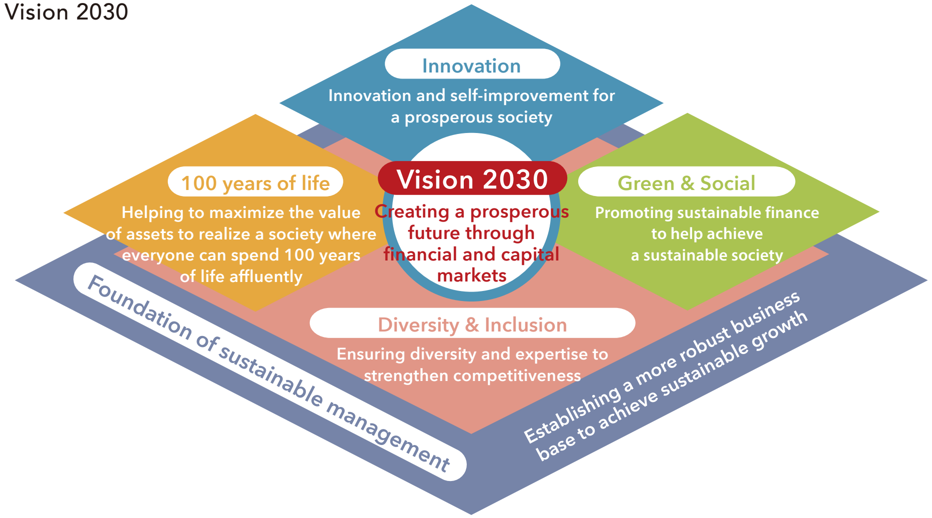
Akihiko Ogino
President and CEO
Daiwa Securities Group Inc.

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

Step 1
Understanding and assessing social issues

Step 2
Dialogue with internal and external stakeholders

Step 3
Formulation of Materiality (draft)

Step 4
Management’s discussions and decisions

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)

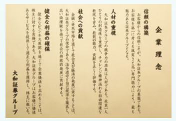
1999— Strengthening governance in support of Group management

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